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Telecommunications UPDATE

Volume I, Number XIV **Washington, DC 20547**

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U.S. Emerges Content From Space WARC

Ambassador Dean Burch, head of the U.S. delegation to the recently concluded World Administrative Radio Conference in Geneva (Space WARC), told reporters after the conference that "considering our vital interests," the U.S. "came out well." But Burch also noted that the conference had been conducted "in an unreal, surrealistic atmosphere" that only issued in compromise in the closing hours of the conference after much political wrangling. He said the International Telecommunication Union, which conducted the conference, had undergone an extensive change in character over the years. Where once it had been "an old boys club" of developed countries, it had been transformed as developing countries joined the organization. They now constitute a majority of the membership. "It is a political organization . . . Technical matters do not present a problem. Engineers can sort the problems out. The questions that held the conference up are political," he said, citing Colombia's claim to sovereignty over portions of the geostationary orbit over its territory. The conference nevertheless reached some consensus on the planning of orbital bands. Essentially, 300 mhz of the expansion bands associated with 6/4 ghz and 500 mhz of the expansion bands associated with the 14/11-12 ghz bands would be planned. Each country would be alloted at least one orbital position with 800 mhz of bandwidth for fixed satellite bands—those that would not be subjected to planning—with a multilateral planning method of coordinating requirements on a regularly scheduled basis yet to be developed. Burch was pleased that conventional bands, where some 45 U.S. domestic satellites are operating, won't be subject to advanced planning and that no rigid "a

(Cont. on p. 6)

SHORT SUBJECTS

U.S. networks received video covering the aftermath of recent major earthquakes in Mexico City via Mexico's new satellite Morelos, launched from the shuttle in June. An earth station in a suburb near Mexico city beamed TV pictures of the disaster that were picked up by U.S. programmers in Miami.

■

Several media groups are urging NASA, the U.S. space agency, to fly a journalist on a future shuttle mission. The Media in Space Committee, composed of print and video reporters organized under the aegis of the Radio-TV News Directors Assn., also wants to help design a broadcast facility to be included in a permanent space station planned for the early 1990's.

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

WORLDNET

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IA 1.16/2:

Trans-Atlantic Fiber Test

AT&T Bell Laboratories scientists in October will begin testing an undersea fiber optic cable as a trial system for a $335 million trans-Atlantic Fiber-optic cable system. TAT-8, the trans-Atlantic cable to be built and operated by 29 international partners including AT&T Communications, is more than 2 years away from starting service, but AT&T will simulate the undersea system when it begins testing the first deep-sea cable, a lightwave link between two of Spain's Canary Islands. The cable linking the islands will be a fraction of the length of the trans-Atlantic system which will stretch from Tuckerton, N.J. to France. It will be placed just as deep, however—about 9,000 feet below the ocean surface—and engineers will learn how the cable operates under pressures as great as 12,000 pounds per square inch. Compania Telefonica Nacional de Espana, the national telephone company of Spain, will assist AT&T in the installation. The Canary Islands system is the predecessor not only to the TAT-8 project but to the trans-Pacific, Hawaii 4/Trans-Pacific 3, which will run from California to Hawaii to the Far East (see **Update 13**). That network is expected to be operating by late 1988. AT&T says the 2 trans-oceanic cables will be built on schedule "unless something goes drastically wrong in the trial, and we don't expect that." Simplex Wire & Cable Co. produced the cable for the test using optical fiber developed for deep sea applications by AT&T Technologies, NY. The system includes special housing to protect the glass fibers from high pressure. In addition to testing voice and data transmission, bit error rates and overall cable performance, Bell Labs engineers will simulate a repair procedure by breaking part of the cable underwater and pulling it up for splicing. The cable has a transmission capacity of 296 megabits per second. Two fiber-optic repeaters will be installed between the Canary Islands. (**Communications Week**, Sept. 23, p. 24) □

Overseas EasyLink

Western Union said it began the first public electronic mail service overseas in mid-Sept. with a two-way connection of EasyLink to Britain. Cable & Wireless EasyLink Ltd., a division of Cable & Wireless' Mercury Communications Group, offers Easy-Link in Britain, and the new U.S.-U.K. capability is a connection between those two EasyLink systems. Subscribers can be addressed from the U.S. by entering an EasyLink number and no special country codes are needed, Western Union said. Messages originating in the U.S. are routed via PTS-1, Western Union's nationwide packet-switching network and the International Packet Switching Service to Cable & Wireless' service for EasyLink delivery. EasyLink users with a personal computer or a terminal equipped with a modem can send messages to EasyLink mailboxes, or they can send domestic and worldwide telex messages, telegrams, mailgrams, cablegrams and overnight express documents. It costs 25 cents per 1,000 characters to send a message to a subscriber in Britain, plus a 40 cents per message fee and WATS charges, if they apply. Western Union Chairman Robert Levanthal said he expects EasyLink to break even by the end of 1985 and to be profitable in 1986. (**Communications Week**, Sept. 23, p. 35). □

Sales Switch

AT&T Northern Telecom officials said recently they are discussing major central office switch sales to Nippon Telegraph & Telephone Corp. (NTT)—the first possible purchase of foreign core network equipment by the Japanese carrier. John Hinds, vice-president of AT&T International and H.A. Hamilton, president of Northern Telecom Pacific, both said they expected NTT to make a final decision within a few months on the long-pressured purchase of U.S. switches. Ichio Kata, NTT director of international procurement, said his firm accepted proposals from AT&T and Northern Telecom after the U.S. government protested that NTT never had purchased any American-made central office switches (see **Trade** story p. 4). The potential switch purchases came against a backdrop of U.S. complaints at a Washington seminar that NTT had failed to live up to its bilateral agreement with the U.S. to increase buying of American telecommunication products and systems. Clayton Yeutter, U.S. Trade Representative, confirmed previous reports that the U.S. has told Japan that the U.S. may pull out of the NTT bilateral agreement if the carrier does not significantly increase its purchases of U.S. equipment. Asked for his reaction to a possible NTT treaty cancellation, Hisashi Shinto, NTT president, said his company was increasing purchases from the U.S. sufficiently to satisfy American concerns. He said NTT was actively studying the purchase of AT&T or Northern Telecom switches, both of which are widely used among Bell operating companies in the U.S., but he added, "We will have to study whether interconnecting the U.S. switches into the Japanese network and their prices will be a problem." (**Electronic News**, Sept. 23, p. 6)□

RCA Contracts

RCA appears to have won a major piece of Japan's next broadcast satellite project. Press reports said the National Space Development Agency of Japan has selected Nippon Electric Corporation (NEC) to build its BS-3 satellite, a 550-kg spacecraft carrying 3 transponders of 120-watts or more each. Press reports said NEC plans to use a satellite built by RCA Astro-Electronics as the basis for its system, which will be launched in the summer of 1990. The losing bidder for the project was Toshiba, which had been a prime contractor on BS, BS-2a and BS-2b broadcasting satellites. The first 2 of these have been launched; both later experienced technical problems. RCA also was scheduled to sign a contract with the Luxembourg firm SES to build the company two KU-band direct broadcast satellites to be launched in early 1987. SES is said to be talking to both NASA and Arianespace about a launch contract.□

Satellite Newsgathering

The technology of using small aperture dishes to gather and transmit news from remote locations is transforming the face of news programming in newsrooms across the U.S. One year ago, only one company, Conus Communications, offered satellite newsgathering (dubbed SNG) technology to its handful of subscribers. Services offered included a Conus "Newstar" van with satellite dish and accompanying transmission electronics installed and a kind of ad-hoc affiliate network. At a recent Radio-Television News Directors Assn. meeting in Nashville, Tenn., at least a dozen more companies demonstrated they had moved into the technology, offering similar services using either SNG vehicles or portable transmission dishes. Some 40 TV stations already are either using or have ordered SNG vans and are using them to relay breaking news from sites increasingly farther afield of their traditional local markets. As just about any breaking story within several hundred miles becomes accessable to local broadcasters so equipped, local news is taking on an increasingly national character and several stations have even used their "fly away" dishes to transmit from famine stricken parts of Africa, Central America and other overseas spots. Cost of the SNG vehicles—which ranges from $225,000 to over $400,000—still restricts their use to well-heeled, major market stations, but the growing acceptability of Ku-band technology for transmitting news is stirring more interest in SNG equipment and many industry insiders predict the prices will come down as more manufacturers explore the technology. Dishes used currently range from a not-so-portable but mobile 4.5-meter antenna to a prototype 1.7-meter dish developed by M/A-Com. Also on display in Nashville, which served as a Mecca for equipment vendors, was a do-it-yourself "backyard" TV receive antenna made by R.L. Drake which is some 6-ft. in diameter and costs less than $1,000. □

Datebook

For your planning schedule, here is a list of major meeting in the Tele-Technology field:

Oct. 10-11 — "International Telecommunications: Regulatory and Trade Issues in the Post-Space WARC Environment," conference sponsored by Bureau of National Affairs and Pike & Fischer Radio Regulation, Mayflower Hotel, Washington. Contact: 202-452-4570.

Oct. 15-17 — Seventh annual Satellite Communications Users Conference, Louisiana Superdome, New Orleans, Contact Kathy Kriner, 303-694-1522.

Oct. 27-Nov. 1 — Society of Motion Picture and Television Engineers 127th technical conference and equipment exhibit. Convention Center, Los Angeles.

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REGULATION

Tough Trade Talk

Congressional action on telecommunications trade problems stepped up significantly in late Sept. as the Senate Finance Committee approved a bill aimed at gaining U.S. manufacturers better access to foreign markets. A similar bill was submitted in the House of Representatives. With the approval of the influential Finance Committee, the Senate bill, sponsored by Committee Chairman Sen. John Danforth, is cleared for full Senate action ahead of some 350 trade bills introduced this session. It's deemed by some to be the most significant pending telecommunications legislation. The bill was prompted by concerns that, while the AT&T divestiture has thrown the U.S. telecommunications market open to foreign manufacturers, other nations have not reciprocated by giving U.S. equipment makers access. Danforth's bill would order the International Trade Commission to conduct a study determining which nations have violated General Agreement on Tariffs and Trade agreements by blocking the import of U.S. telecommunications products. The report is to be completed within four months. An admendment attached to the bill specifically names Japan as a country to be investigated. The bill states that, 15 days after the report is issued, the president must specify what actions will be taken on any violations found; he would then have 16 months to achieve reforms. The bill's approval preceded by one day a conference Nippon Telephone & Telegraph sponsored in Washington giving U.S. companies advice on how to sell the giant company their telecommunications products. Though officials of the newly privatized company at the conference stressed their desire to buy U.S. products, U.S. officials at the same time warned that they must find ways to buy American products or face the consequences of legislation like the Danforth bill. The Reagan administration remains opposed to protectionist trade measures but even Administration officials have likened Congress's current protectionist bent to a "bonfire." (**Communications Week**, Sept. 23 p. 6) ☐

Still More Satellites

Acting on applications to provide direct broadcast satellite (DBS) service, the Federal Communications Commission (FCC) has granted 3 companies—RCA American Communications, Antares Satellite and Graphic Scanning—permits to build new DBS satellites. It also authorized Dominion Video Satellite, U.S. Satellite Broadcasting and Advanced Communications to modify their earlier applications, adding more channels. In its order, the Commission said it looks like there are enough DBS channels available to meet the requests of all qualified applicants. The permits are contingent on the applicants' ability to begin or contract for construction within one year of the permits. RCA's 2-satellite, 6-channel, 100-watt DBS system is expected to cost around $370 million. Antares also would launch 2 satellites each with eight 100-watt channels and two 20-watt channels for multiple spot beams. Owners United Paging, Echosphere Corp. and A.B. Hirschfeld Press proposed to serve not only the entire U.S., Puerto Rico and the Virgin Islands but also "several overseas markets" from positions further east and west than the Final Acts of the 1983 Regional Administrative Radio Conference allow. The Commission noted that departure from the plan and said further analysis would have to be made before Antares could provide such service. The issue of providing international satellite service from U.S. systems separate from Intelsat is "currently pending," the commissioners said, adding: "The outcome of these or related proceedings is not affected" by the DBS grant and "the provision of Antares' proposed international services is not authorized or promoted" by the grant of a building permit. Graphic Scanning would launch 2 satellites, each with 2 channels operating at 200 watts. (Another company cleared to launch a DBS system, Comsat's Satellite TV Corp., doesn't intend to go forward with earlier plans and is still looking for a buyer for two modified RCA satellites.) (**Telecommunications Reports**, Sept. 23, p. 23) ☐

(continued next column)

***Still More Satellites** (cont.)*

***Must Carry,** from page 5*

signals to carry. Most observers said Congress would tackle the issue reluctantly, preferring that the FCC act to resolve industry's questions. Meanwhile, broadcasters were refining a set of rules they would like the Commission to adopt. If the broadcasters could have their way, cable operators with more than 12 channels would be required to devote one-third of their channel capacity to carrying local stations within 35 miles or 50 miles for large, dual markets. **Broadcasting,** Sept. 23, p. 23-25. ☐

U.S./Canada Voice Traffic Exceeds Expectations

To buttress his argument before a telecommunications conference in Tokyo that competition in providing telecommunications services stimulates additional demand, MCI International President Seth Blumenfeld said the growth rate for U.S./Canadian international message telephone service during the first year MCII competed in the market with AT&T was double the 10% figure projected by AT&T itself. "We can't blame AT&T for underestimating how popular competitive international voice service would be," Mr. Blumenfeld said, "MCI has underestimated too." Currently the company gets 2% of the international switched voice market in each of the 31 countries it reaches: "This rate of penetration is outstripping our own projections, as well as those of the telecommunications officials in the countries we serve." In the U.K., for example, the company has a market share of around 5% in switched voice after less than six months. "That's six months to a year ahead of our original projections," he said. He also said MCII is "starting to see and increase in traffic to Belgium, which is serving as an international distribution point for MCI voice service to various European countries." Blumenfeld said he saw increased competition in international services as "inevitable" because "the easier and less expensive it is to communicate, the more people will communicate." (**Telecommunications Reports,** Sept. 23, p.22) □

PROGRAMS

Westwood One Buys Mutual Radio

Westwood One, a nationwide radio syndication company which was started some 10 years ago with an investment of only $10,000, has agreed to buy the Mutual Radio Network, an agreement which could make Westwood One the second largest such network operation in the country in terms of revenues, just behind ABC. Getting out of the radio business is Amway Corp., which built its billion-dollar business through door-to-door sales of household products. Reported selling price is around $30 million, a figure that doesn't include Mutual Satellite Services, a satellite-transmitted date network using Mutual's 700 downlinks as its distribution means. Amway will retain the downlinks, used to transmit Mutual programming, and will provide the distribution service to Westwood One. Amway also keeps a separate string of data downlinks and a satellite uplink in Bryn Mawr, Va., which the company was planning to turn into a teleport for both audio and video transmission. Expansion into Ku-band service is expected soon. What Westwood acquires for its money is affiliation contracts, studios, programming services and talent as well as management and staff. Mutual has around 860 affiliates with another 500 plus stations airing at least one of its program offerings. Publicly held Westwood One supplies programming, mostly youth-oriented, to some 3,800 stations nationwide. Mutual's gross revenues for its last fiscal year were estimated at around $29 million; Westwood was projected to make $3.4 million on sales of $18.5 million this year. □

CABLE—TV

MUST CARRY: MUST THE FCC RULE?

A number of broadcasters and lawmakers are pressuring the Federal Communications Commission to further study the issue of whether a cable company should be required to carry the signals of local broadcasters. One lawmaker, Senator Ted Stevens from Alaska, said that, if the FCC refuses to issue a "notice of proposed rulemaking"—a first step to modifying broadcasting regulations—he will try to amend the Commission's spending bill to force a rulemaking. Other legislators have pressured the FCC to explore the must carry issue and resolve questions left open by a recent federal court ruling saying that must carry rules are unconstitutional. Yet another measure Congress is considering would provide financial incentives to cable operators to carry all local signals, allowing smaller operators wide latitude on deciding what

(continued on page 4)

RESEARCH & Technology

The same compact optical disk that has radically changed the way millions of music lovers listen to their favorite tunes is on its way to making an even larger impact on microcomputer users. Compact disk read-only memory (CD-ROM, as the technology is called in the industry) marks a dramatic change in the magnitude of data storage available at mass market prices. One such disk can store as much as 550 megabytes and disk drives are priced at only $500 to $1,500, inexpensive enough to put major and heretofore costly reference materials at the fingertips of personal computer owners. To put that capacity in perspective, the storage capacity of twenty-eight 20-megabyte hard disk drives; 1,500 360K floppy disks or the output of one secretary typing 90 words per minute, 8 hours a day for more than 8 years. The first CD-ROM product to gain general attention in the U.S. is Grolier's Academic American Encyclopedia, which is expected to be available in an IBM PC version at a cost of $199 in Oct. The disk encyclopedia contains the same information as the 9-million-word printed version and includes search-and-retrieval software to allow the user to search for articles by key word references. ☐

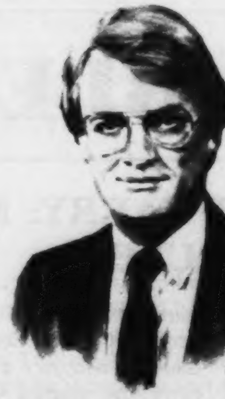
Space WARC

(cont. from page 1)

priori" plan won wide support from delegates. Two separate satellite systems which have been conditionally approved by the FCC propose to operate in an expansion band slated for allotment planning, but the Final Acts should protect "existing systems," so these systems probably will not be subject to any planning scheme.

The U.S. let it be known it was still reserving judgement on the proposal to include 14/11-12 ghz expansion bands in the planning, feeling there is sufficient spectrum for systems without an allotment scheme. But many issues, including specific plans are left to be resolved by the second session of the conference three years hence and the U.S. is willing to wait and see how much flexibility the plan will incorporate. France and the U.K. took similar positions. (From **Broadcasting** magazine, Sept. 16 & 23 issues) ☐

BRIAN HUGHES

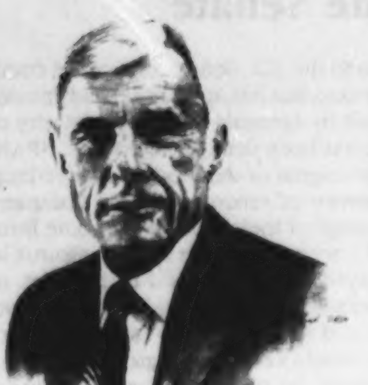


While Washington lawyers and regulators were wrangling over the idea of launching private satellite systems which could compete with Intelsat for transatlantic business, it occurred to Brian Hughes and a few others in the industry to ask why private cables couldn't tap the same market. No treaty obligations stood in the way of building and operating such a cable and fiber optics technology was developing at a rapid enough rate to make the idea of building a facility dedicated to private users of international lines very cost competitive with satellites. And so Tel-Optik was born. The company, which Hughes helped to found and now heads as executive vice president, has been cleared to build and operate 2 private transatlantic cables, each with at least 3 fiber pairs and each capable of carrying 840 Mbps of digitized voice and data making Tel-Optik's the highest capacity system currently planned. In partnership with the U.S. firm is Cable & Wireless; their joint venture is called Market Link. Hughes brings to the firm a background as a satellite insurance underwriter, which gives him both nerves of steel (see story p.4) and the ability to weigh large risks. He received an undergraduate degree in engineering from the Massachusetts Institute of Technology and an MBA from Harvard Business School. A Canadian citizen, Hughes permanently resides in Washington. ☐

Spotlight

GRANT TINKER

In the time since Grant Tinker was named chairman of NBC, the network has seen a $5 million loss translate to a projected $200 million profit. Part of the reason: Viewership in prime time has risen from 14% to 15%, not much except when taking into account the fact that the rating race for advertising dollars is based on decimal points. That one point pulled NBC from distant third to close second (behind CBS) and gave Tinker a reputation for picking the best creative people in television and then giving them free rein. He may have garnered this insightful management technique by wishful thinking; he started his broadcasting career at NBC as a management trainee in 1949. He left the company several times, always to return to more senior slots. For 11 years just prior to returning to NBC in 1981 he was president of MTM Enterprises during which time the company's shows won more than 2 dozen Emmys. Some of those shows have found a home on Tinker's network.



In Profile

UPDATE

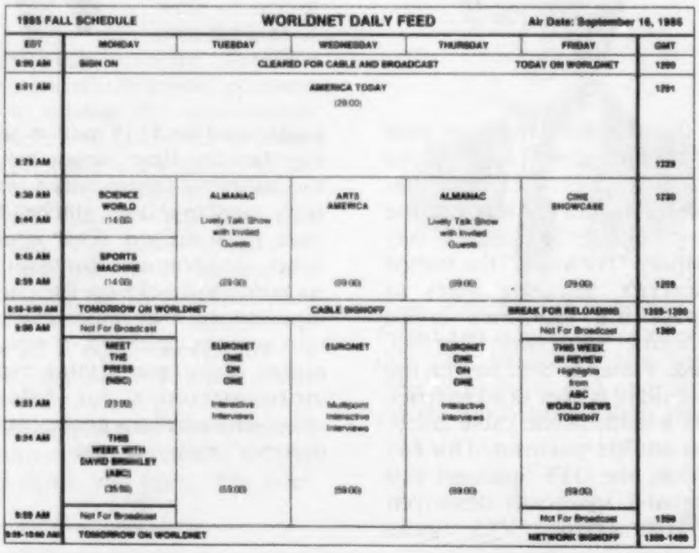
Satellite Losses Shake Industry

Between Sept. 7 and Sept. 12, three costly communications satellites met their demise: Two aboard an Ariane 3 rocket which was destroyed after the third stage failed to ignite and one in the isolated darkness of geosynchronous orbit, far beyond the reach of the shuttle. While satellite insurers differ as to the relative importance of these catastrophic losses, they are united in the sentiment that the satellite industry must change its tactics in order to survive. Insurers were only mildly consoled by the successful repair in early Sept. of Hughes' Leasat 3, the third in a series of four satellites built by Hughes and leased to the Navy. Shuttle astronauts successfully "hotwired" the staffed spacecraft, installing wires to bypass the satellite's failed automatic sequencer. But the Leasat 4 satellite launched on the same flight is now dead in space after a transmission cable failed. That satellite was insured for $85 million; the GTE Spacenet and Eutelsat-3 spacecraft destroyed aboard Ariane V15 were guaranteed for $145 million and together the three losses bring the insurance community's bills from satellite-related glitches to over $500 million. That could send insurance premiums rocketing and make satellite communications even more expensive, experts agree. All of which makes fiber optic cables even more attractive for future telecommunications needs, some industry observers said.

FEATURES

TV Cameras in the Senate

The idea of introducing TV cameras in the U.S. Senate, one of the country's 2 legislative houses, isn't a new one, but has, until now, had enough detractors to deter a concerted push by lawmakers. The popularity of House of Representatives coverage has been demonstrated by C-SPAN, a cable company that transmits a live signal of that body's proceedings to some 21.5 million homes. A survey of senators by that company showed 62 of 100 favored TV coverage of their activities in some form while 18 opposed it and another 15 were said to be leaning against it. Minority Leader Senator Robert Byrd, once opposed to the idea of broadcast coverage in the Senate, breathed life into the idea by introducing a resolution to allow the practice at the start of the current session. Turning TV lights on the lawmakers would keep the Senate from becoming the "invisible" arm of government, he said at a recent hearing on the issue. Senator Russell Long spoke against the idea, saying that TV coverage would encourage posturing by senators for their audience, slowing the proceedings to a snails pace. He also said: "If this nation is to survive, the Senate will be required to ratify unpopular treaties, pass unpopular bills"—TV would discourage senators from taking unpopular stands. The remark provoked this response from Senator Charles McC. Mathias, who chairs the Senate Rules Committee which is eyeing the issue: "Patriotism doesn't live in dark houses." Whether the nearly two-century-old body will rush into the 20th century this session depends largely on the press of other matters. Some senators who have argued that broadcast coverage could aid incumbents in their reelection bids have suggested that the political impact of such a move could be limited by deferring coverage until Jan. 1989.



1985 FALL SCHEDULE — WORLDNET DAILY FEED — Air Date: September 16, 1985

EDT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (29:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information:

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting** magazine, a weekly.

Business Research Publications, Inc., 1036 National Press Bldg., Washington, DC 20045, USA (telephone 202-347-2654) for **Telecommunications Report**, a weekly.

CMP Publications, Inc., 600 Community Drive, Manhasset, NY 11030 (telephone 516-365-4600) for **Communications Week**, a weekly newspaper.

Fairchild Publications, a division of Capital Cities Media, Inc., 7 E. 12 St., N.Y.C. 10003 (telephone 201-899-5566) for Electronic News, a weekly.

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M St., N.W., Washington, DC 20054, USA (telephone 202-632-7000 for general information) for press releases and texts.

InfoWorld, 1060 Marsh Road, Suite C-200, Menlo Park, CA 94025 (telephone 415-328-4602, telex 176072, InfoWorld MNPK) for **InfoWorld**, a weekly newspaper.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854, USA (telephone 301-340-2100, telex 358149) for **Satellite News**, a weekly newsletter.

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington DC 20036, USA (telephone 202-872-9200, telex 6502173616 via WUI) for **Satellite Week**, a weekly newsletter, and **Communications Daily**.

Variety, 154 W. 46 St., N.Y.C. 10036, USA (telephone 212-869-5700, telex 1-26335 VARIETY NY) for **Variety**, a weekly newspaper.

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Telecommunications UPDATE

Volume I, Number XV **Washington, DC 20547**

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Intelsat Braces for Competition

The INTELSAT Assembly of Parties voted last week not to amend the INTELSAT Agreement to provide greater pricing flexibility that some nations feel is necessary to allow INTELSAT to compete with a proposed new international system. Following interventions against modifying Article V(d) of the Agreement by more than 30 administrations, the Assembly decided to defer the issue until the next Assembly meeting and instructed the Board of Governors to "take account as has been done in the past, of the flexibility inherent in the Agreements in establishing space segment utilization charges for the services subject to potential challenge."

The U.S. delegation said it would be willing to support appropriate modifications provided that they be exercised in exceptional circumstances and that tariffs derived from the modifications be cost based as provided for in an amendment to the State Department Authorization Act passed by the Congress earlier this year.

Some of the concern about U.S. international satellite systems seemed to stem from a lack of understanding of how they would operate. The U.S. delegation explained to the meeting that the U.S. systems would be strictly limited to providing customized services involving the sale or long-term lease of transponders or space segment capacity for communications that are not interconnected with public-switched networks. This restriction was applied to protect the core of INTELSAT's business and assure that the new systems would not cause significant economic harm to the organization.

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SHORT SUBJECTS

Bert Roberts, president of MCI Telecommunications Corp. since 1983, has been elected president and chief operating officer of MCI Communications Corp. Roberts will continue to serve as head of MCI's long distance subsidiary. He succeeds Orville Wright, who will serve in the newly-created position of vice chairman of the board. (**Telecommunications Reports,** Sept. 30, p. 3)

■

AT&T Bell Laboratories has developed a light-emitting diode that transmits light pulses at the rate of 180 million bits per second over 35 km (21 miles) of single-mode fiber. The company noted that this combination of bit rate and distance is the "highest reported" for such an experiment. (**Telecommunications Reports,** Oct. 7, p. 42) □

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TA 1.16/2:

GTE Telenet Joint Ventures with Japanese Firm

GTE Telenet Communications said it has reached an agreement with Japan's Intec and Sumitomo to establish a joint venture that will offer an international electronic messaging service. The new company, called Ace-Telemail International, is expected to begin offering service by February 1986, GTE Telenet said. The service, Ace-Telemail, will be based on GTE Telenet's Telemail service in the U.S. Ace-Telemail International (ATI) will be headquartered in Tokyo and will start business with $1.2 million in capitalization, GTE Telenet said. GTE Telenet, a subsidiary of GTE Corp, Stamform, Conn., and Intec, Tokyo, will each provide 35% of the funding. Sumitomo, also based in Tokyo, will provide 20%, and the remainder will come from other investors. The Telemail offering from ATI will be customized to meet Japanese standards and will include store and forward and facsimile features, and interfaces to Telex and Teletex networks, according to Koji Kanaoka, president of Intec. The system will handle English and Japanese messages, he said. Access to the electronic messaging service will be through Ace-Telenet, a packet switching network operated by Intec and using equipment from GTE Telenet. (**Communications Week,** Sept. 30, p. 4) ☐

ITT Changes European Strategy

ITT Europe, Inc., faced with mounting competition from overseas suppliers with the liberalization of European markets, has launched a "Pan European" product strategy, making sweeping changes in marketing and product responsibilities of several ITT companies in Europe. The move follows a similar step by ITT in the U.S. to bring all ITT's business system products, from computers to PBXs, under one ITT Business Systems Group. Under the plan, key ITT companies have been made "lead companies" in the development of certain products and in the research of other technologies. Those companies include Standard Elektrik Lorenz AG (SEL), West Germany; Bell Telephone Manufacturing Co. (BTM), Belgium; ITT Face Finannziarria, Italy; ITT Austria GmbH, Austria; and Standard Electrica S.A. (SESA), Spain. As Europe's telephone administrations begin to look outside their traditional supplier base for systems and as markets become liberalized, many outsiders are finding new sales opportunities. BTM, for instance, has always been a powerhouse in Belgium, but the Belgian PTT has said it wants to open its market to competitors. ITT's Pan-European, or "transnational" product strategy, is the responsibility of Jan Loeber, an ITT corporate vice president and ITT Europe Inc.'s director of market and product management-telecommunications and electronics. Loeber joined ITT in 1984 from AT&T, where he served as an executive director, heading marketing, product management and systems engineering for PBXs and their associated processor. (**Communications Week,** Sept. 30, p. 1, 45) ☐

Swiss-U.S. Video Connection

Companies waiting for the opportunity to hold video conferences between the U.S. and Switzerland have hit the jackpot. Both AT&T and Satellite Business Systems (SBS) recently inaugurated video links between the two nations. SBS, McLean, Va., is providing a transmission service using one of its satellites and an Intelsat satellite over the Atlantic Ocean. The company has an accord with the Swiss telecommunications authority to provide advanced digital communications at speeds of up to 1.5 megabits per second to Switzerland. The Battelle Memorial Institute, the world's largest private research organization, at the end of September held the first video conference to Switzerland ever placed on the SBS facilities. Switzerland has also become the sixth foreign nation that AT&T will serve with its international Accunet Reserved 1.5 Service. The service is a two-way offering that operates at 1.544 Mbps. AT&T said it expects the service to Switzerland will be used primarily for video teleconferencing, even though Accunet Reserved can also be used for data transmission. The AT&T portion of the international circuit will cost customers in New York $450 per half-hour, and the

Swiss will charge a similar fee for their part of the connection. Customers outside New York will be assessed an additional fee to use domestic Accunet Reserved 1.5 circuits to link their city with New York. (**Communications Week,** Sept. 30, p. 35) □

Satellite Cellular

Petroleum Communications Inc., an affiliate of Pacific Telecom, said it will begin operating a cellular (mobile telephone) system in the Gulf of Mexico later this year that will be the first to use satellite transmission. Following an agreement last week with Motorola Inc. for cellular equipment, Petroleum Communications president Art Petranek said the system will begin providing voice and data transmission to local petroleum, marine and transportations industries in the fourth quarter. The cellular network, which reportedly will be the largest in the world in terms of coverage area, will provide cellular mobile service over 60,000 square miles, including the gulf and 600 miles of coastline stretching from New Orleans to Houston. Petroleum Communications is negotiating with satellite carriers to lease transponders for the system, Petranek said, and expects to award a contract within two weeks. He said the company is close to signing with one carrier, but he didn't want the company identified until the agreement is final. The Petroleum Communications cellular system will use a satellite to link its cell sites to the main switching office in New Orleans. Many of the cell sites will be on the gulf, so satellite transmission is cheaper than cable or microwave, Petranek said: "The advantage is the satellite sees the entire gulf and theree's so much territory out there to cover." (**Communications Week**, Oct. 7, P. 45) □

International Connections

RCA Global Communications Inc. recently reached an agreement with Voicemail International Inc. to provide voice mail abroad next year. RCA Globcom also will soon announce its first customer for high-speed integrated digital services based on Intelsat's International Business Service. Under initial arrangements between RCA Globcom and Voicemail, multinational corporations and other international telecommunications customers will be able to leave messages at Voicemail centers in Britain, Japan or the U.S. Negotiations with other countries' telecommunications authorities are under way, an RCA spokesman said, and more nations are expected to be added to the list next year. (**Communications Week,** Oct. 7, p. 24) Meanwhile, VideoStar Connections, Inc., of Atlanta and France Telecom, the New York-based agent for France Cables & Radio, have agreed to provide satellite services and facilities for private television networks and special event video conferences in the U.S. and Western Europe. The agreement provides for each company to provide all satellite services and facilities on its end up to an Atlantic-region Intellsat satellite. France Cable & Radio, which manages a two-satellite Ku-band system, will use it for European distribution. (**Telecommunications Report,** Oct. 7, p. 42) □

Datebook

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

Oct. 15-17—Seventh annual Satellite Communications Users Conference, Louisiana Superdome, New Orleans. Conta Kathy Kriner, 303-694-1522.

Oct. 27-Nov. 1—*Society of Motion Picture and Television Engineers* 127th technical conference and equipment exhibit. Convention Center, Los Angeles.

Jan. 5-9, 1986—*Association of Independent Television Stations* 13th Annual convention, Century Plaza, Los Angeles.

Feb. 2-5, 1986—*National Religious Broadcasters* 43rd annual convention, Sheraton Washington, Washington, D.C.□

Reruns, *from page 7*

Kodak, Procter & Gamble, Stauffer Chemical and Weyerhaeuser to make their pitches on Chinese TV, it will encourage more U.S. companies to make capital investments in China. How big could a truly global television advertising market be? Perhaps as much as $50 billion in five years, and double that in ten years, predicts John Eger, CBS senior vice president of Worldwide Enterprises, compared with $27.3 billion in 1982. Right now, says Rosenfield, "This is seed money to get the concept started. It's all incremental, but big is better than little and incremental is better than none at all." (**Forbes**, Oct. 21, p. 48-49) □

REGULATION

FCC Seeks to Better AM Radio

The Federal Communications Commission (FCC) is trying to figure out what it can do to improve the coverage, fidelity and, ultimately, the economics of AM broadcasting. Whatever it comes up with will be incorporated into a study being prepared by the policy and rules division for publication, hopefully by the end of the year and such studies "have a way of bubbling up and becoming commission policy," according to James McKinney, the commission's leading mass media official. Much of the FCC's enthusiasm for beefing up the AM service may stem from a desire to mitigate the additional competition that existing AM stations will suffer from new stations in an expanded AM band. Next April in Geneva, the Regional Administrative Radio Conference will carve up the spectrum between 1600 and 1700 khz, set aside for AM broadcasting in 1979, into fresh AM allocations for some combination of local, regional, and possibly super-regional stations to serve North and South America. McKinney, who is expected to lead the U.S. delegation to the conference, said the "slight depressing effect" to existing AM broadcasters from increased competition from within their own expanded band could be offset with improvements to the AM service. Existing AM broadcasters may be allowed to enhance their coverage by acquiring allocations for a regional station in the expanded band for a time, McKinney said. A "transitional period," during which time consumers would have the opportunity to buy new receivers for the expanded band, would follow and then broadcasters would have to give up their old allocations. As the radio conference nears, McKinney said the countries in North and South America show increasing interest in using the non-AM spectrum to create high-power regional stations rather than a plethora of local ones; "The U.S. feels pretty good about that," he said. Broadcasting officials at the conference also could create superpower stations in the new band with 100,000 watts of transmitting power or more, thought McKinney said he thought this was unlikely. (The most powerful station in the U.S. today radiates 50,000 watts.) (**Broadcasting**, Sept. 30, p.40) □

The 'Popcorn Principle'

Judging from FCC Chairman Mark Fowler's recent remarks to the International Radio and Television Society, the chairman may be willing to get rid of rules prohibiting crossownership of broadcast and newspapers *Boston Herald-Traveler* and the *Washington Star* when the papers' owners acquired broadcast stations in those markets. That falls in line with what Fowler said he calls the "Popcorn Principle." Making popcorn one night with a hot air popper (which doesn't require oil), Fowler noted that it produces a much greater volume of popcorn that it seems to have the capacity for. "And it produces it all without the use of what was long thought to be a necessary ingredient of the process, oil. In many ways, this device describes the deregulatory principle of the FCC's policy," Fowler said. "Remove what was thought an

continued on page 8

RCA Leaves Broadcast Equipment Business

RCA is quitting the broadcast equipment business it had dominated for half a century. The end came with a simple announcement by President and Chief Executive Officer Robert Frederick that "competitive pressures and continued losses in the Broadcast Systems Division have resulted in our decision to restructure and phase out product lines." The company will try to sell its transmitter and antenna business that employs 200-250 and will shut down the rest, idling more than 250 others. RCA said it will fulfill all warranties and service contracts, presumably through its profitable RCA Service Co. Termination is part of RCA's policy of leaving all businesses that show little or no promise of profits, and is one phase of the latest "restructuring" that also involves the closing of the West Palm Beach semiconductor plant and the merger of RCA Cylix into RCA Globcom. These moves will result in dropping a total of about 1,000 employees. RCA's broadcast equipment business has lost some $100 million in the last three years. Last year, it lost $15 million on sales of $80 million and losses are running at about the same rate this year. In 1983, it lost $74 million. RCA currently has about 15% of the market for video equipment and cameras and 30% of the market for transmitting equipment and antennas. The company once was a major entity in radio transmitting equipment, after it entered the market about 60 years ago. It virtually founded both monochrome and color broadcast equipment markets. A company spokesman said foreign competition has hurt RCA's broadcast equipment business in recent years. GE, RCA's predecessor in radio broadcast gear, sold its broadcast equipment division in 1972. Philips, once number three, also has left direct broadcast equipment marketing. The domination of the field by RCA was reversed in recent years as Japan's Sony rose to the number one position in broadcast gear. (**Television Digest**, Oct. 7, p. 1-2) □

Intelsat, *from page 1*

Richard Colino, INTELSAT's Director General, and a few member nations at the recent AP meeting in Washington (Oct. 7-11), encouraged the Assembly to amend the INTELSAT Agreement, spelling out the organization's ability to price services competitively. Tanzania, Cameroon and Colombia, who advanced the idea at the Assembly but never formally introduced their measures, all were concerned that the U.S. separate international satellite systems to remote parts of the world at a reasonable price. The U.S. noted the decision "with regret," saying it wanted to see "adequate documentation of cost-based information," before it could support the proposal.

In another decision that may affect the coordination of separate systems with the INTELSAT system, the Assembly said the "cumulative impact" of separated systems on INTELSAT should be considered in deciding whether any given system would cause "significant economic harm" to the organization. This criterion joins a check list adopted last September which the organization will use to determine whether to successfully coordinate separate systems. The U.K. and Papua, New Guinea (which plans its own satellite system with trans-Pacific

continued on page 6

PROGRAMS

NBC Wins 1988 Olympics

NBC has won the U.S. TV rights to air the 1988 Summer Olympic Games in Seoul, Korea, with an offer of $300 million minimum fee, plus a promise to share revenues that could push the price as high as $500 million. "Won" may be the wrong way to describe what NBC did, though, since, for the first time in memory, the networks weren't competing to outbid each other but instead seemed to be competing to show who had the most restraint. The negotiations also set a precedent as the first time a network offered to share revenues from the Games. Analysts are predicting the sharing won't really amount to much and the fee will stay closer to the $300 million side of the estimates. That would leave the payment much closer to the $309 million ABC has agreed to pay for the 1988 Winter Olympics in Calgary, Canada. ABC can expect substantial prime-time programming for the latter, while NBC faces serious scheduling problems with a competition that will be half a world and 13 hours away. That's one reason for the networks' restraint, along with a soft advertising market for sports programming and fears of another major boycott of the Summer Games by the Soviet Union or others. Counting out the rights NBC had for the 1980 Summer Games in Moscow, which the U.S. boycotted (and on which the network lost $34 million), the 1988 Seoul event will mark the first time ABC has lost its hold on the summer program since 1964. (**Television Digest**, Oct. 7, p. 4) □

CABLE—TV

Justice Dept. Will Investigate Scrambling

The Justice Department's Antitrust Division has begun investigating "possible restraints of trade involving the scrambling and distribution of satellite programming," it told industry leaders last week. The news was released in a letter from the department to cable television associations and cable companies Sept. 24, but the letter said little about the type or extent of the investigation. The letter merely asked the industry to "refrain from destroying or altering or otherwise disposing" of documents or records on scrambling plans. The association and others said they would cooperate. The investigation apparently will target potential antitrust implications of industry wide scrambling on home dish users and dish manufacturers, a Justice spokesman confirmed. At issue is whether a coordinated scrambling effort, either in a consortium with the National Cable Television Association or under a cooperative agreement by programmers, would discriminate against particular scrambling system manufacturers or dish users. Also at issue are the anticompetitive implications of cable operators' desire to be the sole distributors of decoders in their franchise areas. (**Satellite Week,** Sept. 30, p. 3) □

RESEARCH & Technology

DBS: In Search of A Standard

The Direct Broadcast Satellite Association (DBSA)-sponsored plan to test competing DBS system standards will begin a new phase in mid-October, with tests of comparative DBS systems to begin using "untrained viewers" for a period of about 3 weeks. The next and final round of testing follows an earlier review by an 8-person panel of experts from the satellite industry. As in project's earlier phase, the National Aeronautics and Space Administration's Lewis Research Center is acting as the host and validator of the testing. Eight untrained viewers will watch a series of video images on a 25-in. color TV monitor. The test signal originates from the NASA facility via a satellite simulator producing actual transponder conditions. [Whatever "standard" the association selects will be offered to the fledgeling DBS industry to adopt voluntarily; most equipment providers will likely comply with the standard chosen so that customer receiving devices will be compatible with all services offered.] (**Satellite News,** Oct. 30, p. 5) □

Intelsat, *from page 5*

capabilities) joined the U.S. in disassociating themselves from the new provision. A State Department official said, "It's always been our contention that its an expanding market; to try to quantify the cumulative effect of competition is difficult if not impossible." U.S. delegates to the Assembly also were concerned that the term "cumulative impact" isn't in the Agreement and that it wasn't clear whether using the criterion would modify the Agreement. The Assembly also affirmed the INTELSAT Board's decision to allow that the organization's "primary purpose is to provide global communication," and asking again that financial information as to the cost-based nature of the service be made available to member countries. In other action, the Assembly coordinated 23 U.S. domestic satellites to provide service to Mexico, Canada and the Carribbean. □

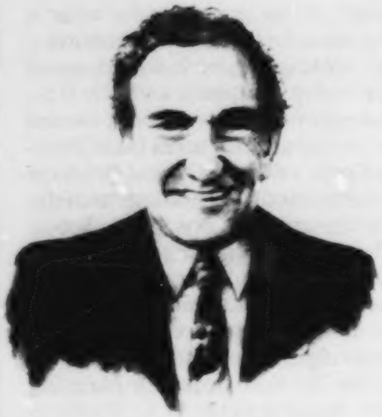
Alan Parker

"It's time for a change" in the way traditional manufacturing industries in the U.S. conduct business, according to Alan Parker, chairman of Ford Aerospace Satellite Services Corp. (FASSC) The Ford subsidiary is one of only a few relative "newcomers" to the satellite industry granted a permit to launch a satellite system in the last round of satellite awards from the Federal Communications Commission. Parker now is marketing his new service to be provided on two hybrid satellites with the capacity to let users both uplink in Ku- or C-band and downlink in either (or both). Such versatility should appeal to broadcasters expanding into new, more mobile satellite technologies like mobile vans and "portable" satellite dishes, Parker reasons (see **Update 14**). Business users too can benefit from such flexibility; as the cost of satellite receiving equipment falls, the corporate telecommunications user can make use of both C- and Ku-bands and FASSC will allow him to use either with ease, Parker says. Concepts like FASSC's are not only changing the shape of telecommunications transmission in the U.S., but the way the giant automaker sees its future role in American business. Already FASSC's parent, Ford Aerospace & Communications Corp. (Ford Motor's wholly-owned subsidiary for which Parker serves as vice president for external affairs), has an international reputation for buiding communications satellites. But Ford Motor has its eye on the service side of the industry and, through FACC, last year bought its own telephone exchange carrier. Manufacturing is changing and can't support the jobs the industry once could, Parker explains. For a company such as Ford to prosper, it must expand into the fast-growing field of teletechnology and robotics. Not that those fields won't be competitive too; Ford's arch rival General Motors took its cue early on and is in the process of buying Hughes Aircraft, another high tech company with communications interests. □

Spotlight

Rene Anselmo

Rene Anselmo, founder and president of SIN, Inc. (National Spanish Television Network) and the founding father of Pan American Satellite (one of the U.S. international satellite systems with a conditional permit from the Federal Communications Commission), is considered by many to be the driving force behind bringing Spanish-language TV to the 20-million Hispanics in the U.S. Born in Massachusetts 60 years ago, Anselmo was one of the youngest gunners in his Marine Corps bomber squadron. After his years in the service, he entered the University of Chicago where he originated a theater group which evolved into a well known comedy troupe, "Second City Company." A short vacation to Mexico in 1951 evolved into a lifelong love affair. He returned for another holiday with his wife and stayed 12 years. During those years, he produced many Spanish-language state productions and developed strong links with Mexico's television network, now Televisa. His comedic flair has served him well in his various journeys through the regulatory jungles of Washington and his outrageous letters, often replete with commentary from his dog Spot, have entertained and stung policy makers for many years. His latest venture, PanAmSat, seeks to market domestic satellite communications capacity to Central and South America. ☐



In Profile

UPDATE

A World of Reruns

"Today, there are more television sets in China than there are in the U.S.," says James Rosenfield, senior executive vice president of the CBS/Broadcast Group, "I thing that's a fact, but if it isn't, it's close." What does all the TV in China have to do with anything? Plenty. Some time in the next decade, American viewers may well have the Chinese—and Indians, Brazilians, Australians, Europeans—to thank for helping rid American networks of reruns. If cable, pay TV and VCRs continue to segment the television audience, to prosper, the networks will have to offer more original programming than ever. Original episodes of CBS's *Dallas* for instance, ranked as high as number one last season, while a *Dallas* rerun finished 41st. CBS got the point. "Our long-term plan is to go to 52 weeks of new programming," says Rosenfield. So where will all the reruns go? To independent television stations, to cable, to videocassettes—and to the rest of the world. For example, CBS has just renewed its barter arrangement with China which gets 64 hours of CBS reruns free in exchange for allowing American commercials dubbed in Mandarin. Now CBS is trying to nail down a similar agreement with India. CBS already leads overseas, selling news to 35 countries and various sports or entertainment segments to 90 others. But the other two American networks, as well as Ted Turner and Rupert Murdoch (Metromedia, Twentieth Century-Fox and Sky Channel), are in the game too. Turner has a big sports deal with the Soviet Union in the works for next summer and sells Cable News Network feeds to 31 other countries. ABC reaches 75 and NBC 91 countries. The prototype of the new global television could be the CBS-China deal. The price of the commercials? Peanuts: $300,000 for 32 minutes. But to the network, it's not the money now but the entry to the market that counts. Big money will come later. For their part, the Chinese believe that by allowing CBS advertisers such as Beatrice Foods, Boeing, IBM

continued on page 3

FEATURES

Far East Fiber

Fiber-optic equipment suppliers in the U.S. are preparing for what is expected to be one of the fastest growth areas for lightwave communications in the next decade—the Far East. Although there is little demand for fiber-optic equipment in the region today compared with the U.S., suppliers and industry analysts anticipate growth as government-owned and private telephone companies and corporate end users build fiber-optic communications networks. ITT Corp.'s Electro-Optical Products Division, Roanoke, Va., late last year completed a technology transfer with Samsung Semiconductor and Telecommunications Corp., Seoul, South Korea, in which it provided the Korean company with equipment and training to produce single-mode and multi-mode cable. ITT EOPD's Rusty Worley said he sees a particularly good market for fiber-optic transmission products in Taiwan and Korea, two countries in the region that have adopted North American digital transmission standards. Other communications companies in the Far East market or planning to enter it include AT&T International, Basking Ridge, N.J.; Northern Telecom Inc., Nashville, Tenn.; Siecor Corp., Hickory N.C.; and Corning Glass Works, Corning, N.Y. Kessler Marketing Intelligence, a Newport, R.I., consulting firm, recently published a report on the growth of fiber-optics in 12 countries in the Pacific Basin. According to the study, the market for fiber-optics products by 1995. The countries, Australia, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan and Thailand, are expected to spend a total of more than $12 billion on fiber-optic equipment in the next decade, the report said. Nevertheless, competition will be fierce and it is essential that U.S. companies establish a local presence in the area to succeed in the marketplace, a KMI analyst said. (**Communications Week**, Oct. 7, p. 36, 37) ☐

1985 FALL SCHEDULE

WORLDNET DAILY FEED

Air Date: September 16, 1985

EDT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON	CLEARED FOR CABLE AND BROADCAST			TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (29:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information:

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting** magazine, a weekly.

Business Research Publications, Inc., 1036 National Press Bldg., Washington DC 20045, USA (telephone 202-347-2654) for **Telecommunications Reports,** a weekly.

CMP Publications, Inc., 600 Community Drive, Manhasset, NY 11030 (telephone 516-365-4600) for **Communications Week,** a weekly newspaper.

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M St., N.W., Washington, DC 20054, USA (telephone 202-632-7000 for general information) for press releases and texts.

Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011 (telephone 212-620-2200) for **Forbes**, a biweekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854, USA (telephone 301-340-2100. telex 358149) for **Satellite News,** a weekly newsletter.

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, DC 20036, USA (telephone 202-872-9200, telex 6502173616 via WUI) for **Satellite Week,** a weekly newsletter.

Variety, 154 W. 46 St. N.Y.C. 10036, USA (telephone 212-869-5700, telex 1-26335 VARIETY NY) for **Variety**, a weekly newspaper. ☐

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

Popcorn, *from page 4*

essential ingredient—heavy government regulation—and our communications system still works. In fact, it works better. I call this principle the "Popcorn Principle." (**Broadcasting**, Sept. 30, P. 39) ☐

Editor-in-Chief: *Jay Garfinkel;* **Editor:** *Melinda Gipson;* **Design Director:** *Tuleda Poole Johnson;* **Illustrations:** *Ernest Albert Land*

1/16

Telecommunications
UPDATE

Volume I, Number XVI
Washington, DC 20547

A Sober Look at The Satellite Industry

Despite much talk of gloom for the satellite industry, the mood of mid-October's Satellite Communications Users Conference in New Orleans was one of realism and pragmatic assessment. Opening with a panel discussing the future of satellite communications and concluding on the last day with a session on satellite risk management, the seventh annual conference dealt with some hard issues: Where can the industry go after $600 million in losses in less than two years. Eldon Thompson of Telesat Canada, calling himself an optimist, told the audience that he thinks the industry has come of age. There is an "air of realism today in an industry initially mesmerized by technology." Rather than be defeated by failures and the threat of optical fiber cables, Thompson expressed confidence that the satellite industry will have buyers in the future because satellites are cost-effective and more reliable and more flexible than cables. The only response to fiber is to reduce costs for satellite communications, he said. He did acknowledge that fiber has an edge in the market for inter-urban, point-to-point traffic. One way to lower costs is to develop small earth stations, he suggested. Steven Dorfman of Hughes Communications noted the dramatic growth in satellites: In 1980 there were 4 satellite operators. The FCC has recently approved 11. Additionally, in 1970, there were no transponders in orbit. In 1975 the number was 24 and in 1980 it had jumped to 162. Now there are 620. That is an average growth of 38% each year. "The underlying trends in satellite communcations are positive," he said. The industry is deeply embedded in our lives. Risks are clearly high, but so are rewards, Dorfman noted. New applications are critical and

(Cont. on p. 6)

SHORT SUBJECTS

The newest entrant into the backyard earth station market is the Amway Corp. which started delivering in early October the Amway Satellite Receiver (ASR) 500 earth station package. The company, based in Ada, Michigan [which built its empire on door-to-door sales of household products], is selling the system in the continental U.S. through its network of 750,000 independent Amway distributors. (**Satellite News**, Oct. 21, p. 6)

■

The Commerce Dept. has begun a project aimed at improving Caribbean nations' telecommunications systems and services. Government and industry analysts will identify the telecommunications needs in the island nations and organize trade missions to help introduce U.S. telecommunications equipment and expertise into those countries. (**Communications Week**, Oct. 21, p. 8)

NEWARK PUBLIC LIBRARY
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WORLDNET

(see page 8 for schedule)

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U. S. GOVT. PUBS.
DEPOSITORY 326

IA 1.16/2:

Deutche Feed

The Houston International Teleport became the first carrier other than AT&T or Comsat to transmit satellite feeds to West Germany's government-owned communications carrier, Deutsche Bundespost. The transmissions, completed Oct. 4, brought taped and live news feeds on NASA's 61-A space shuttle mission from the Johnson Space Center to the teleport via microwave, where they were uplinked via Intelsat's Major Path 1, then downlinked to a Bundespost facility in Raisting. The feeds then went via land-line to German television networks ARD in Hamburg and ZDF in Mainz. (**Broadcasting**, Oct. 21, p. 85) ☐

PBS To Test New Service

The Public Broadcasting Service will launch its potentially self-supporting National Narrowcast Network service with a 15-week test in 20 cities next February, providing 375 hours of video training courses and seminars to businesses and colleges. During the test, PBS will deliver a daily 5-hour programing package through microwave and addressable cable to participating stations from 11 a.m. to 4 p.m. EST, Monday-Friday. The programing will be geared "for workers at all levels," PBS said. It will include training and continuing education classes, as well as courses available for credit through local colleges. Some programing will be devoted to specific subjects, including management, computer literacy and applications, sales and marketing, effective communications and basic skills development. (**Broadcasting**, Oct. 21, p. 52) ☐

GE to End Color TV Production

GE had said it might be several months, but it took only 2 weeks to make the final decision to switch from maker to buyer of color TVs following our report that the company was negotiating to have sets produced for it by Japan's Matsushita Electric Industrial (MEI). Under an agreement in principle announced by GE, MEI will begin turning out GE's big-screen color sets early next year and will be handling all production by August, when GE will complete phaseout of its inhouse manufacturing at its Portsmouth, Va., plant. GE discontinued small-screen color set production earlier this year and now buys its 13-inch set from Gold Star, an arrangement that is expected to continue. The end of set production will come at a cost of some 630 hourly and 160 salaried jobs. Some displaced workers will be relocated within GE. Those dismissed will get severance payments averaging $12,000 each, be eligible for a training allowance of up to $3,000 and receive other benefits, depending on the length of their company service. About 2,000 also will be laid off at plants in Singapore and Malaysia, where GE produces color TV circuit boards, components and sub-assemblies. Still an open question is exactly where MEI will assemble all those GE sets. MEI is expected to provide GE with only about 250,000 color sets next year, but, based on current market and GE's estimated share, will be supplying more than 500,000 sets annually starting in 1987. That would appear to be well beyond the capabilities of MEI's sole U.S. plant in Franklin Park, Ill., understood to be operating near capacity already to meet the needs of subsidiaries Panasonic and Quasar. Although it's dropping out of color sets, GE is continuing to make color tubes, according to Consumer Electronics Business Operations Vice Pres.-General Manager Jacques Robinson. Robinson said the problem with color TV manufacturing "has been the difference for us between profit and loss." On the other side of the operation, "our distribution is the best of all in the industry in terms of cost efficiency." So, he feels GE can be profitable as a marketer—only in the color arena. (**Television Digest/Consumer Electronics**, Oct. 21, p. 10-11) ☐

Lowes Eyes 25% Of CBS

In a friendly action requested by CBS, Lowes Corp. said last week that it plans to increase its holdings in CBS to 5.8 million shares (25%) as a further hedge against any unfriendly takeover attempt by an outsider. Lowes currently owns 2.7 million (11.7%) of CBS shares, purchased for about $285 million. The company began buying CBS shares last summer shortly after the network successfully fought off a $5.4 billion takeover bid by Ted Turner. The latest move means that Lowes Chairman Laurence Tisch, without spending anything on investment bankers or lawyers, eventually could accomplish what Turner couldn't even after spending $18 million: Gain de facto, control of CBS Inc. Tisch will be elected a CBS director at the Nov. 13 board meeting, when that body will be increased from 13 to 14 members. Friends of Tisch say it is unlikely he will ever make an unfriendly move on CBS, but if circumstances permitted, he wouldn't be opposed to buying total control. And, Lowes' 25%, combined with 8% interest held by William Paley, make for a major obstacle to any hostile bid (see Update 9), analysts said. (**Television Digest**, Oct. 21, p. 2) □

AT&T Reaches Record Transmission Rate

AT&T Bell Laboratories said it has reached a new transmission high—one billion bits per second—for coherent lightwave transmission, which uses more sensitive optical receivers and may some day reduce repeated spacing in fiber-optic networks. Separately, Bell Labs said it has developed a new high-speed light-emitting diode that can be used with single-mode fiber. In an experiment during the summer that Bell Labs described in public for the first time at a fiber-optic industry conference in Venice, scientists transmitted data at 1-gigabit-per-second through 150 kilometers of single-mode fiber. Bell Labs of Holmdel, N.Y., reached the bit rate using coherent transmission, a method still in the experimental stages. It uses frequency and amplitude modulation similar to radio or television transmissions. Light signals are sent continuously in streams, rather than switched on and off in pulses, the conventional method of lightwave transmission. The technique uses detectors sensitive to changes in frequency. These detectors transmit a beam of light that meets the incoming signal and strengthens the transmission using a filtering process, according to a Bell Labs spokesman. The spokesman said the technique could greatly increase the distances required between fiber-optic repeaters and allow hundreds more channels of information to be transmitted over a single fiber than current technologies. (**Communications Week**, Oct. 14, p. 26) □

Dateline

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

Dec. 3-6 — NATA '85, sponsored by the North American Telecommunications Association, 2000 M. St., N.W., Washington, D.C. 20036; 202-296-9800. The four-day conference, to be held at the Infomart in Dallas, will feature more than 200 voice and data manufacturers and suppliers and will display the latest telecommunication technology.

Jan. 5-9, 1986 — Association of Independent Television Stations 13th annual convention at the Century Plaza, Los Angeles.

***Justice Dept.**, from page 5*

the trend in the industry toward consolidation of ownership both of cable systems and programing services, I think we'd be less than prudent in not recognizing that something is going on here which we better pay attention to," Mooney said. "It's not time to start ringing alarm bells, but it is time to begin preparing for some potentially serious activity in the antitrust area, and to the degree that NCTA can play a helpful role in educating the Justice Department as to what the real world of video competition is like, we intend to do so." The seminar's main topic is the Cable Communications Act of 1984 and its impact on the relationship between cable operators and their municipal regulators. On that subject, Mooney said the immediate result of rate deregulation, a key provision of the act, "will be a rather marked cessation of the day-to-day intrusion of local officials in the operation of cable systems . . . I think that professional cable regulators are about to become a seldom-seen species, simply because they won't be able to justify their budgets." (**Broadcasting**, Oct. 21, p. 64) □

REGULATION

Trade Bodies Examine Phone 'Dumping'

The International Trade Commission (ITC) and the International Trade Administration (ITA) are inching toward the conclusion of their investigation into whether Japanese manufacturers of cellular radio mobile phones have "dumped" their products in the United States. An import-dumping determination involves both agencies reaching separate conclusions: The ITA must determine that products have been sold at below-market rates, while the ITC must conclude that a U.S. industry has been harmed by the practice. Both agencies have already preliminarily reached their necessary conclusions. The ITC must now determine how badly U.S. companies that manufacture mobile phones were injured. The agency said it would hold a hearing on Oct. 30 on the issue of harm. As a prelude to that meeting, it issued a report last week that contained its initial findings. While much of the confidential information was deleted from that document, it did include some information of interest, including that U.S. manufacturers estimate that they lost sales of $228 million and 187,000 cellular phones to foreign manufacturers between January 1982 and June 1985. (**Communications Week**, Oct. 21, p. 8) □

U.S. CCITT Unit Discusses Discipline

During a meeting at the State Dept., the U.S. National Committee for the Consultative Committee on International Telegraphy & Telephone (CCITT) adopted a new charter, and discussed in general terms problems with maintaining discipline within U.S. delegations to various CCITT study groups in light of the burgeoning interest on the part of U.S. industry in participating in the International Telecommunication Union organization. Various suggestions were offered during the meeting on how to maintain discipline in delegations and how to cope with an increasing document flow resulting from heightened participation, and more formal suggestions were solicited by State Department officials conducting the meeting. It was reported that CCITT Study Group III on general tariff principles and accounting will meet Nov. 11-26 in Geneva, with the first three days given over to a Working Party 6 discussion of general tariff principles for integrated services digital network. Working Party 2 will discuss settlements of accounts. Also, a U.S. delegation will attend a meeting of the Permanent Technical Committee of the Inter-American Telecommunications Conference (CITEL) in Sao Paolo, Brazil, Nov. 4-8 to explore possible areas of common ground in the Americas for CCITT activities. (**Telecommunications Reports**, Oct. 21, p. 32) □

CNN's 'European Feed'

Turner Broadcasting System's Cable News Network has made its planned expansion into Western Europe, launching "the first-ever, live, 24-hour news service to European audiences" via statellite to closed-circuit hotel systems and members of the European Broadcasting Union. [The feed began with transmission to the Dorchester Hotel in London, the first hotel in Europe to subscribe to the service. (Satellite News, Oct. 21, p. 7)] Ted Turner, president and chairman, said that with the move, "we've written a new chapter in the history of television news—a chapter that could change the world [because] the more we know about each other and the more we communicate, the better hope there is for the future of our species." CNN said a news team of 7 anchors and 50 electric journalists is producing the European feed, described as a "blend of up-to-the-minute world news and information covering finance, sports, health and medicine, science, entertainment, news-maker interviews and contemporary life styles" having particular interest to Europe. The team is based at CNN's Atlanta headquarters. To get the feed to Europe, CNN has signed a 7-year lease on a 36 mHz (half transponder) bandwidth on the latest Intelsat V Atlantic region satellite. The signal to Europe is uplinked in Atlanta, having already been converted to European technical standards, cross-strapped to Ku-band on the satellite and downlinked to British Telecom International's Goonhilly, England, earth station. CNN estimates that from 1.7 million subscribers in 1980, it has grown to more than 34 million in the U.S. It also expanded to Australia, Canada, the Caribbean, Central America and Japan before adding Western Europe. (**Broadcasting**, Oct. 21, p. 12) □

New Intelsat Rates

The executive staff of the International Telecommunications Satellite Organization (Intelsat) is generating new, lower rates for business communications services handled by its satellites on the busy route between the United States and Europe. Intelsat director General Richard Colino has instructed his staff to develop more competitive rates that will be presented to the multinational consortium's board of governors as early as December. The new rates will be designed to meet anticipated competition from private international satellite systems that U.S. companies may begin launching as early as next July. Rates for Intelsat's International Business Service, a package of high-speed, digital data, voice and video, are most likely to be cut. At a recent meeting attended by 88 of Intelsat's 110 member nations, the U.S. government expressed concern over the consortium's pricing policy during a heated exchange between Colino and FCC chairman Mark Fowler. The U.S. asked for assurances that Intelsat's new prices would be based on costs (see Update 15). Some U.S. officials fear Intelsat would design predatory rates to bar competition from new U.S. satellite operators. But Colino told Fowler that his demand was "outrageous," and that U.S. policy should not dictate Intelsat's actions. Colino nevertheless gave assurances that information on the costs calculated into Intelsat's rates could be made available under the consortium's current rules, without requiring the change sought by the government. Colino said Intelsat's rates are already based on costs. Still, one State Department official said, "We take all this with a grain of salt." (**Communications Week**, Oct. 21, p. 25) □

PROGRAMS

HBO Prepares to Clean Up

Home Box Office is expected to launch a new pay TV channel soon. In-house developers have dubbed it the "clean machine"; it would offer films and other programing stripped of the explicit sex and violence that many nonpay cable subscribers cite as a primary reason for not taking a pay service. That's according to First Boston entertainment analyst Richard MacDonald. An HBO spokesman refused to confirm or deny the report, citing a policy not to comment on in-house development projects. (Privately, however, one HBO insider said that MacDonald is on target, and sources in the programing community confirm that HBO has also told several studios of its plan to launch the "clean" pay channel. One studio executive said, at this point, HBO has not offered a definite launch date, but indications are the project has a top priority and will be launched "sooner rather that later. The signals are they are serious about the venture." (**Broadcasting**, Oct. 14, p. 30) □

Disney Opens New Video Division

In what the company terms "strictly an organizational move," Walt Disney Pictures has consolidated its home video, pay television sales, original pay programing and pay-per-view operations into a new video division. Richard Frank, president of Disney's Motion Picture and Television Division, said the motive behind the consolidation was to more aggressively use the valuable Disney library, though carefully coordinating that use with the Disney Channel. "We are going to try and generate revenue from the entire sequential distribution chain with the library," he said. Frank said the company will become increasingly interested in pay-per-view as the addressable base continues to grow. "We think there is a market in pay-per-view,"

continued on page 8

CABLE—TV

Justice Dept. Has Its Eye On Cable

The cable industry has come under the scrutiny of the antitrust division of the Justice Department, National Cable Television Association President Jim Mooney told a group of cable lawyers in Washington recently, and, as a result, it should prepare for "potentially serious" antitrust activity. Justice, Mooney said, is looking at the antitrust implications of clustering cable systems and of NCTA's plan to form a consortium of cable operators to facilitate the scrambling of the programing services satellite feeds. Justice has questioned whether cable "really does compete with other providers of video services," he said. "Given the rather consistent interest Justice has lately shown in cable matters, and given

continued on page 3

RESEARCH
& Technology

Lights Off

Evidence of the interference potential to AM radio of new radio frequency lighting devices has been accumulated by the National Association of Broadcasters. NAB has submitted a 58-page report to the Federal Communications Commission asking the commission to reconsider its approval of the RF light bulbs without the simultaneous setting of emission standards for the AM band. Regulations for using the devices, which emit energy at AM broadcast frequencies and are expected to replace less-efficient incandescent bulbs, were adopted by the FCC in August as part of its restructuring of industrial, scientific and medical equipment regulations. Although interim standards for the protection of radio communications services above 30 mHz were applied to the devices, the standards do not affect emissions in the AM band below 30 mHz. The NAB had previously suggested that a 0.25 microvolt-per-meter limit up to 10 meters be applied to the devices, but the commission turned down the proposal for lack of evidence. In the NAB report, which did not attempt to suggest limits on interfering emissions, the group concluded an interference risk exists predominantly as a result of the cumulative effect of multiple RF light bulbs, rather than from individual devices. (**Broadcasting**, Oct. 21, p. 84) ☐

***Satellite Industry**, from page 1*
include: DBS—although many argue over its viability, DBS has become a $2 billion per year business; customer premise service—new higher power satellites will permit private networks with customer premise antennas; mobilsat—high-quality telephone paging and data service from cars, trucks and planes. Joe Barna of GTE Spacenet predicts the most dramatic growth in satellites to be data with a 50% increase by 1988. Voice traffic will enjoy a reasonable growth rate using 103 transponders in 1986 and 250 in 1994, but after a 10-year period, the growth will level off. Videoconferencing will grow very dramatically but will also level off after 1990. (**Satellite Week**, Oct. 21, p. 1-2) ☐

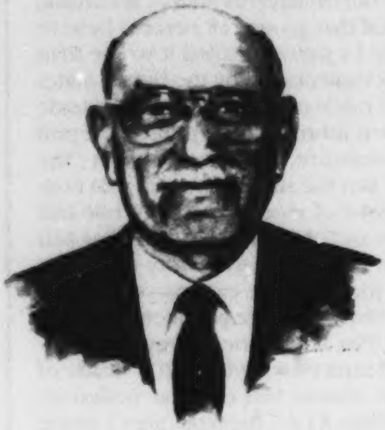
ROBERT PRICE

Robert Price, founder and chief executive officer of Price Communications, is a lot like other broadcasters. He looks for a strong economy, good employees, not too much competition and some price increases to bring in a few more advertising dollars. But Price is also a little different from other broadcasters. He has used his expertise in finance and acquisitions to create, in less than five years, a major Fifth Estate company on borrowed money. Price first started buying broadcast properties in 1982 with each purchase financed separately through a mixture of notes and preferred stock sold to institutions such as Lincoln National Life and Citicorp Venture Capital Ltd., and through bank loans. Price Communications is interested in, and has bought, radio stations with strong signals—four of its eight AM stations are 50 kw facilities and four of its seven FM's are 100 kw or better. The company has so far bought three television stations, each affiliated with a different network. Partly to avoid some tough competition, Price said he will stay away from cable television. This year the company went outside broadcasting, buying the *New York Law Journal* and the *National Law Journal*, three New Jersey newspapers and an outdoor advertising company in Missouri. (**Broadcasting**, Oct. 14, p. 69) ☐

Spotlight

In Profile

ALBERT WARREN



Albert Warren is considered by many in broadcasting as the patriarch who yearly hands down the industry's family bible: Television Factbook. Besides this 5-inch thick, two volume compendium of television stations, broadcast and cable services in the U.S. and abroad, he also presides over several trade newsletters that lead the industry in keeping communications professionals up to speed on latest developments. Among them: Television Digest, Video Week, Satellite Week, Common Carrier Week, Public Broadcasting Report, Connections (a joint venture with The Economist of London) and Communications Daily. As the only daily newsletter in the communications industry, the latter draws a host of policy makers and industry savants as subscribers. But communications was not always the growth industry of the decade. Warren began in the business as a reporter in Washington just after World War II, when there were only 6 TV stations in the U.S. and most were labeled "experimental." Sensing explosive potential, Warren bought the then struggling company Television Digest from Walter Annenberg, who now publishes TV Guide. He has seen broadcasting boom from a curiosity into a truly "mass" media and, at 65, was this year honored as Publisher of the Year by the Newsletter Publishers Association. □

UPDATE

Murdoch Moves To Consolidate Metromedia, Fox

Rupert Murdoch set the stage for things to come last week by merging TCF Holdings Inc., the parent company of 20th Century Fox Film Corp., with the soon-to-be acquired six Metromedia independent television stations into a new company called Fox Inc. Along with the consolidation, Murdoch and Fox Inc. Chairman and Chief Executive Officer Barry Diller said that Fox Inc. would be divided into three principal divisions: 20th Century Fox Film Corp., which will continue along its present business lines of motion picture and television programing production and distribution; Fox Station Group, which will include the former Metromedia television stations that are being acquired by Murdoch's News America Holdings Inc., and a new entity called Fox Television Network. Alan Horn, 42, has been named president and chief operating officer of 20th Century Fox Film Corp., which will put him in charge of day-to-day operations of the motion picture and television program studio. Although some accounts trumpeted it as a "fourth commercial network," executives who claimed familiarity with Murdoch's and Diller's intentions described it as a program service with the more modest goal of distributing first-run programing to the pending Fox television stations and others. No announcements were made regarding who would head the Fox Station Group or Television Network. Metromedia executives speculated that the Fox Television Network could include news programing since Murdoch would have at his disposal the newsrooms of the six independent stations, some of which have very successful and competitive operations, as well as the resources of his newspaper interests, which have bureaus all over the world. (**Broadcasting**, Oct. 14, p. 33) □

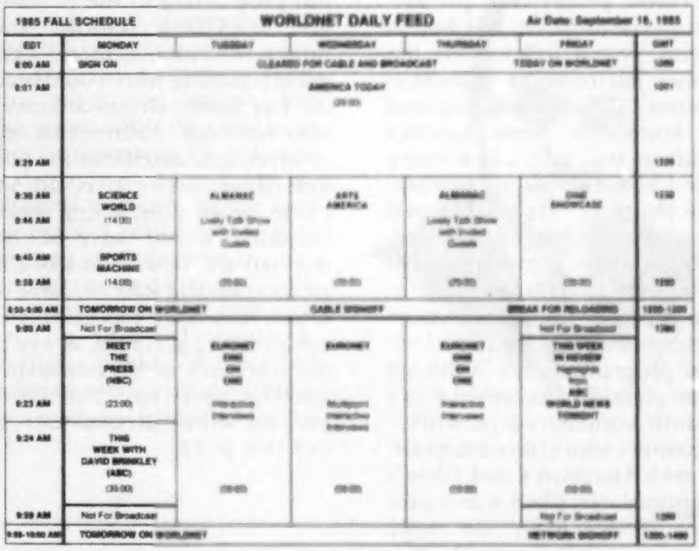
FEATURES

Phone Users Are Content

Eight of every 10 residential subscribers believe their local phone service is at least as good as it was before the breakup of AT&T, according to a recently conducted Gallup poll. Of that group, 18 percent believe their local service is even better. Only 14 percent called it worse than it was two years ago. The survey was commissioned by the United States Telephone Association (USTA) and was made public recently at the trade group's annual meeting. USTA president John Sodolski praised the poll results as "the first hard data since divestiture," which show that "the industry continues to do a good job." But the survey showed that consumers are sharply divided over the issue of monthly rates. While half called local phone service inexpensive or "about right," the other half said local service is either somewhat or very expensive. Sixty-three percent of those who called their basic local service expensive pay $15 or more a month, according to James Shriver, a vice president with the Gallup Organization, Princeton, N.J. The telephone survey was conducted in early August, and involved interviews with 1,200 heads of telephone households in the country. Almost half of those polled indicated that they still don't understand the AT&T breakup, aren't aware of the industry's concern over bypass and can't figure out why they have to pay the $1 monthly subscriber line charge. (**Communications Week**, Oct. 21, p. 7) ☐

Disney, *from page 5*

he said. "We aren't participating in the rental home market to any degree and pay-per-view might be a way to get videocassette rental electronically in the house where we can get a piece of the action instead of the retailer." Frank said the company has already signed with The Exchange, the pay-per-view vendor expected to start national satellite delivery on Nov. 28. He said the company is looking at other vendors as well. (**CableVision**, Oct. 21, p. 12) ☐



1985 FALL SCHEDULE — WORLDNET DAILY FEED — Air Date: September 16, 1985

EDT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON	CLEARED FOR CABLE AND BROADCAST			TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (28:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	[illegible] SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET	CABLE SIGNOFF			BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information:

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (telephone 202-638-1022) for **Broadcasting** magazine, a weekly.

Business Research Publications, Inc., 1036 National Press Bldg., Washington, DC 20045, USA (telephone 202-347-2654) for **Telecommunications Reports**, a weekly.

CMP Publications, Inc., 600 Community Drive, Manhasset, NY 11030 (telephone 516-365-4600) for **Communications Week**, a weekly newspaper.

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M St., N.W., Washington, DC 20054, USA (telephone 202-632-7000 for general information) for press releases and texts.

International Thomson Communications Inc., 600 Grant St., Suite 600, Denver, CO 80203 (telephone 303-860-0111) for **Cablevision**, a weekly magazine.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854 (telephone 301-340-2100, telex 358149 for **Satellite News**, a weekly newsletter.

Television Digest Inc., 1836 Jefferson Place, N.W., Washington DC 20036, USA (telephone 202-872-9200, telex 6502173616 via WUI) for **Satellite Week**, and **Television Digest**, weekly newsletters.

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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1/17

Telecommunications UPDATE

Volume I, Number XVII Washington, DC 20547

High Profile For High Definition At SMPTE

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The Society of Motion Picture and Television Engineers, whose five-day annual convention ended Nov. 1 in Los Angeles, found its membership, both film and TV personnel, drawn to a topic increasingly important to both: high-definition television. Small format video, although in a far less public manner, also occupied the attention of a number of the 15,000-plus attendees.

This year's event included 18 technical sessions on television and film topics, along with a three-and-a-half day equipment exhibition dominated by computer graphics and component video equipment, but including numerous other new product developments.

By far the largest SMPTE convention ever held, it attracted attendance exceeding 15,600, nearly 21% over that of the 1984 New York convention. The exhibit hall again this year drew most of the attention, with over 8,000 attendees coming only to visit the more than 250 exhibitors on the show floor, and another 4,800 representing the manufacturers themselves. One-third of total attendees, 4,300 (including 1,500 of the exhibitors), attended both technical paper sessions and equipment exhibits.

High-definition television was the most recurrent theme throughout the meeting, with a dozen papers and a panel session devoted to the topic, and particular emphasis paid by many to how the Hollywood production community viewed the technology as a potential medium for its own work.

(continued on page 6)

SHORT SUBJECTS

A news service that's accessible by telex internationally and available in English, Spanish and German is being offered by ITT World Communications in cooperation with Deutsche Presse-Agentur. Called ITT Update, it had been available only in English; telex accessibility was to begin Nov. 1. (**Satellite Week**, Oct. 28, p.8)

■

The prospects for broadcast coverage of the Senate moved a step closer to reality when the Senate Rules Committee approved legislation that would, if later adopted by the full Senate, provide immediate gavel-to-gavel radio coverage. It would also permit in-house television coverage of the chamber on a test basis. The bill passed 8-1 after a lengthy debate on whether or not Senate rules changes should also be made. (**Broadcasting**, Nov. 4, p.62)

WORLDNET

(see page 8 for schedule)

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Barter Study Under Way 8

IA 1.16/2:

Satellite/Fiber Competition Healthy

Competition between satellites and fiber optics networks isn't likely to result in dramatic overcapacity in either mode, according to an October draft of an NTIA report on the effects of competition. The report said that there has been some concern over possible "overcapacity" in long distance networks because of the proliferation of satellite and fiber facilities but that estimates that satellites are used to 53% capacity may be misinterpreted. Existing land-based systems "have long functioned profitably notwithstanding utilization levels which seem quite low to lay persons," NTIA said, adding that the average residential phone is idle 98% of the time. Local and long distance networks are engineered to accommodate peak calling periods, with the result that "at many hours of the day, by far a majority of facilities are not utilized. Measured against some conventional plant, in short, the current 53% utilization levels for U.S. domestic satellites may actually be quite high," NTIA said. In addition, NTIA noted that effectively competitive markets generally evolve mechanisms by which 'overcapacity' over the long term is avoided." The agency said that capital markets would "minimize the likelihood of unprofitable levels of overcapacity" because they wouldn't give financial support to unneeded or redundant facilities. NTIA added that projections of possible overcapacity don't account for future growth in data communications. (**Satellite Week**, Oct. 28, p.3) ☐

World Teleport Association Highlights Global Concept

Teleports are becoming a global business, as evidenced by the October World Teleport Association board meeting in Rio de Janeiro, Brazil. The agenda of the association is to integrate real estate with telecommunications and to encourage teleports to establish close cooperation with world trade centers, according to board member Robert Schmidt. Schmidt, president of the American Teleport Association and Communications Technology Management Inc. told Satellite News, "The concept of teleports is being well received in many parts of the world and it is recognized that telecommunications structures vary substantially in different areas of the globe." Membership in the board is indicative of these differences. Members are PTT personnel, entrepreneurs and trade center leaders, he said. There are about 75 members in the organization representing about 25 nations, including the U.S., Japan, Hong Kong, the Netherlands, the U.K., France, Nigeria, Canada, Belgium, Germany, Italy, Brazil, Taiwan, Switzerland, Australia and New Zealand. The board meeting was held in conjunction with the 16th general assembly of the World Trade Center Association. The second general assembly will meet in Amsterdam May 20–23. (World Teleport Association, 1 World Trade Center, Suite 63SW, New York, N.Y. 10048, 212-466-4758) (**Satellite News**, Nov. 4, p.8) ☐

Networks Pursue SNG

It's not a reality yet, but the news organizations of the three broadcast networks are continuing their efforts to implement satellite news gathering (SNG) services for their affiliates nationwide. NBC has launched a trial news exchange service using the network's Ku-band system among stations in the mountain and Pacific time zones. Recently, CBS launched a satellite news feed for its affiliates in the West, and ABC is expected to launch a similar feed shortly. NBC's news exchange trial is supposed to last three months, said Art Kent, vice president, news operations, NBC News. The trial will be rolled out to a national exchange service in February, if all goes well technically and the network receives as sufficient commitment from the affiliate body by that time, said Kent. When it is fully operational, the NBC affiliate news exchange will have seven full-time transponders dedicated to it, including six full-time transponders on RCA Americom's K-2 bird, plus one or two occasional-use transponders and one full-time transponder on SBS-3. CBS has already launched Southeast and Southwest regional feeds. The regional feeds are C-band-based, like the network's satellite system, but will have Ku-band downlinks at regional hubs to receive stories from the field. So far, in the three regions, just over 70% of the affiliate stations have joined and Robert Horner, vice president of news services, expects that number to rise to at least 80% within the next couple of months. He said that three more regional feeds, two covering the Midwest and the Northeast, completing national distribution, should be in place by next spring. ABC's Don Dunphy, director of affiliate news services, said the network would launch a Pacific-mountain regional feed by December. A Southwest feed is up and running. Remaining regional feeds, covering the Midwest, Northeast and Southeast, will be put in place over the next eight or nine months. (**Broadcasting**, Nov. 4, p.60)□

AT&T Hunts Small Business Users

AT&T Communications Inc. is pulling out some of its biggest guns to establish a marketing presence with some of its smallest users. Since divestiture, the company has striven to beef up efforts to serve small-business users, which represent about 90% of its business customer base and about 40% of its revenue stream. AT&T defines small business users as companies with a single business location, a regional marketing emphasis, 500 or fewer employees and $25 million or less in sales. The latest effort is the establishment of seven regional communications planning centers. Customers can go to the centers, which will be operational by years' end or the beginning of 1986, to see AT&T's different services demonstrated and get advice about which products could be used within their companies. AT&T officials say the emphasis on small-business users is an effort to regain an infrastructure lost during the Bell breakup. Before the breakup of the Bell System, the Bell operating companies marketed long-distance services to small business users and served as their single point of presence, said Harry Bennett, director of business marketing management for AT&T Communications. "We never had a direct sales interface with that market," he said. To solve the problem, the company in 1984 established 81 telemarketing centers, staffed with about 2,000 sales and technical employees, to serve small-business users exclusively. In addition, since divestiture, AT&T has introduced new services and changed old ones—particularly its 800 service—to better suit the need of small businesses. (**Communications Week**, Nov. 4, p.34) □

Impulse Pay-Per-View

Tests will begin later this year on a new Zenith Phonevision "Impulse" pay-per-view system that its backers say requires no additional hardware in cable subscribers' homes and yet enables the subscriber to purchase and receive PPV programs "in moments" without notifying the cable operator in advance. Plans for the test were announced last week by Viacom Cable, owner of a cable system in California where the new technology had been installed. Pacific Bell is providing part of the program-ordering mechanism and Zenith Electronics Corp. developed the system. The Viacom-Phonevision installation was said to be the first PPV system to employ advanced ANI (automatic number identification) technology. Pacific Bell is providing the ANI for the installation. A six-month trial will begin later this year in over 6,000 homes in northern California, a Viacom Cable official said. He described how the system works: "Viacom cable television customers who wish to order pay-per-view programming will call a local telephone number which corresponds to the particular special event. The customer then receives order confirmation through a recorded announcement from the Pacific Bell equipment to the calling number and the called number will be automatically forwarded to the multiple system operator, which verifies credit status and transmits the program to the customer. This process. . . occurs in less than 20 seconds." James L. Faust, president of Zenith's cable products division, said ANI eliminates the inherent problems of other telephone-based PPV systems that can overload a local telephone switching network when hundreds of cable subscribers attempt to order a program at the same time. "With cable operator revenues from traditional premium pay services leveling off," Faust added, "Impulse pay-per-view offers opportunities for growth, increased revenues and improved customer satisfaction." (**Broadcasting**, Nov. 4, p.10)□

REGULATION

Backyard Dish Lobby Rallies

Manufacturers and retailers of backyard TVRO satellite equipment assembled recently in Washington, D.C., with a caravan of satellite dish equipment, rallying support among the dish industry and seeking congressional support against plans by broadcast and cable programmers to scramble signals. In the program, organized by the Society for Private and Commercial Earth Station Owners (SPACE), the backyard earth station trade group, dish equipment players and users gathered for a "Satellite Earth Station Day" in hopes of gaining support, particularly from the House Telecommunications Subcommittee, for legislation postponing or limiting the scrambling of programming signals by major service providers like Home Box Office (HBO). Key telecom committee members were on hand for the rally, including Chairman Timothy Wirth (D-Colo.). Bowing to pressure from dish makers, users and other telecom subcommittee members, Wirth announced that hearings were being planned for January to deal with the scrambling issue. Those meetings are likely to focus on the potential consumer impact of incompatible decoder boxes and the uncertainty created by an environment of multiple scrambling standards. Wirth's decision to postpone hearings until early 1986 was promted in part by the concern that last year's Cable Communications Policy Act have at least one year in the market before considering new proposals that might affect the TVRO industry. The Cable Act legalized the right of consumers to receive nonscrambled programming services via backyard C-band dish equipment. The measure has been interpreted by industry players and users as a confirmation of the 1.6 million TVRO dish owners' right to receive unscrambled programs, apart from a formal subscription agreement on the part of the user. At issue now are the plans of service providers like HBO, which is preparing to scramble its signal fed to cable systems beginning in January. And proponents of backyard dish technology are lobbying hard to halt such action by HBO and the major broadcast networks until an affordable decoder device is widely available on the marketplace. M/A-Com is a likely choice to provide descrambler devices, but it has indicated it could have only 25,000 units available by HBO's January encryption deadline. Dish manufacturers and users alike fear that scrambling will provide cable system operators and vendors with substantial leverage to control signal access, program distribution and subscription rates. Two measures currently proposed would delay the scrambling plan for 2 years—by House Reps. Judd Gregg and Tauke—and would protect against unfair scrambling policies—by Sen. Albert Gore(D-Tenn.) (**Satellite News**, Nov. 4, p.5) ☐

***NBC**, from page 5*

cable-originated channels are offered to subscribers. Affiliates would receive two minutes per hour for local advertising plus the right of first refusal to an hourly five-minute local news window. NBC said it would retain the right to permit NBC television affiliates to excerpt material from the cable news service, as well as "intact continuous coverage of major breaking news events." Affiliates would have the option to market the news service to the backyard earth station market within their franchise areas, "so long as the service is made available to all such users at the NBC Cable News third party rate card which will be structured so as to provide a profit for the operator." The network said it was looking for commitments giving the cable news service access to 13.5 million homes by the middle of December, in which case the service would be launched no later than June 1, 1986. NBC News President Larry Grossman said those dates could be pushed back six months to the service, if given approval, would launch in Jan. of 1987. (**Broadcasting**, Nov. 4, p. 10) ☐

***Intl. Satellite Systems**, from page 5*

already has contracted for an Ariane launch and, while it has been making progress payments, it presumably is feeling constraints [due to bills coming due]. Meanwhile, Cygnus Satellite has won FCC authorization for its international satellite system. The Commission had required Cygnus to make technical changes in its application, approved an amended system with 32 transponders, up from 16, of lower power. (**Satellite Week**, Oct. 28, p. 1-2) ☐

International Satellite Systems Ranks Thin

RCA Americom has told the Federal Communications Commission it won't build and launch its planned Satcom 6 C-band satellite. The move eliminates one potential Intelsat competitor from the scene. RCA's decision came in a 2-page letter to the FCC in which the company said it had decided not to launch the satellite because: (1) The C-band domestic market growth rate has "decreased substantially" as the number of transponders has grown. (2) The FCC's "unwarranted" restrictions on international video leases make planned transatlantic business unprofitable. FCC rulers require one-year leases, but most demand is for occasional use. Six of Satcom 6's 24 transponders were planned for international use. Even without restrictions, the letter said, this wouldn't have been enough. Only recently at the Satellite Communications Users Conference in New Orleans (see **Update 16**), RCA Americom Vp-Business Development and Planning Harold Rice was predicting a "very exciting future" for the business. (3) The growing attractiveness of Ku-band overall means Americom will focus its operations there. The company said it's still supporting the U.S. separate systems initiative. An RCA spokesman told us the company has no particular plans to become a Ku-band international service provider but that observers "shouldn't be surprised" if it someday makes a move there. Another international system, Pan American Satellite System, is looking to merge with one of several others. PanAmSat,

(continued on page 4)

PROGRAMS

CBS Evening News in France

CBS has a deal in the works with Canal Plus, the French pay-TV channel, according to press reports, to air a nightly satellite feed of "CBS Evening News" in France, possibly as early as January. The broadcasts will likely be in English and will air in Paris at 1 a.m. local time, then again the next morning at 7. If the feed is aired during a time when the channel isn't scrambled, the program could reach 18 million French viewers. According to the **Washington Post**, there will be advertising at the beginning and end of the 22-minute broadcasts and the French channel may add local anchors for news from around France nightly. CBS may expand the news programming to at least an hour of morning news on Canal Plus and hopes to develop a Saturday children's show, sports programming and even music videos using the talents of Columbia Records International for the French audience and eventually other audiences around western Europe. □

CABLE—TV

NBC Outlines Plans

NBC News sent a draft copy of an affiliate agreement for its proposed 24-hour cable news service to cable operators in late October. The network proposed a monthly per-subscriber rate of 12 cents for the first year, 15 cents for the second year and 18 cents for the third. The rate hikes would be lower in years two and three for those affiliates agreeing to a five-year commitment up front by no later than Dec. 16, 1985, and there would also be percentage and volume rebate plans. The agreement proposed that the term of affiliation would be three years plus an automatic renewal of two years unless either the affiliate or NBS News cancelled the renewal a month ahead of time. NBC said it would provide the cable news feed via a C-band satellite delivery system and not the network's Ku-band system. the network said it would scramble its signal "to the industry standard, once that standard is established." Affiliates would agree to carry NBC Cable News "in its entirety as part of basic service," defined as the first level of service on which two or more

(continued on page 4)

RESEARCH & Technology

High Definition TV Standard

A high-definition television production standard based on a U.S. proposal has passed the penultimate test. A study group of the CCIR (International Radio Consultative Committee) in late October unanimously adopted that proposed standard—1125 lines, 2:1 interlace, 60 fields per second, 16.9 aspect ratio and 1920 samples per active line for luminance, 960 for color difference—and will forward it to the CCIR plenary session in May 1986 in Dubrovnik, Yugoslavia, for final consideration. According to E. William Henry, chairman of the Advanced Television Systems Committee, the CCIR study group adopted the proposal over the strong objections of French delegates. Because of the French, he said, two or three European countries have expressed reservations in the recommendation being sent to the plenary session, he said. But if the opposition doesn't increase between now and May, he said, the proposal should be adopted at the plenary and become an international standard. ☐

Datebook

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

Nov. 14-15—"Mergers and Acquisitions in the Communications Industry," seminar sponsored by *Law & Business Inc., Harcourt Brace Jovanovich* Omni Park Hotel, N.Y. Information: (800) 223-0231

Dec. 4-6—Western Cable Show, sponsored by *California Cable Television Association* Anaheim Convention Center, Anaheim, Calif.

Jan. 5-9, 1986—*Association of Independent Television Stations* 13th Annual convention, Century Plaza, Los Angeles.

Feb. 2-5, 1986—*National Religious Broadcasters* 43rd annual convention, Sheraton Washington, Washington, D.C. ☐

***SMPTE**, from page 1*

Discussion of a world studio standard for HDTV received its due at the conference, especially since during the same week an international standards body meeting in Geneva was completing negotiations and agreeing to forward the U.S.-backed standards proposal to a final meeting next May, although with reservations expressed by several European nations.

Varied viewpoints on the HDTV subject first arose at the conference's two-hour opening session, Oct. 28, with comments from each of the two keynote speakers, Wilbur J. Prezzano, group vice, Eastman Kodak, and Larry Gershman, president, television group, MGM/UA entertainment, as well as CBS representative Richard G. Streeter, SMPTE engineering vice-president.

"Given the high and rising cost of production, the program producer must, to survive, export," Streeter argued in his talk. "He therefore needs a common format for the wide distribution of his program to the home and to the international broadcast marketplace." If a single HDTV standard is not archieved by international bodies, he added, "the advantages offered by the universal standards for film will not be available to him. No electronic counterpart will exist."

MGM/UA's Gershman, who focused much of his address on the increasing importance of foreign revenue from licensing fees for U.S. syndicated series, echoed Streeter's point: "The establishment of global standards for HDTV is an abstolutely must-happen situation." With the advent of satellites and their signals capable of extending over numerous European countries, he explained, the establishment of standards is "critical to the growth of the industry on a worldwide basis."

But Kodak's Prezzano offered a different perspective on the subject. "The vital issue is not whether the CCIR adopts a standard," he said. "The scientific discussion is only part of the innovation process. The larger challenge is still ahead: Can HDTV technology become practical and economically feasible?" The promise of HDTV, Prezzano added, must be balanced against issues such as compatibility, sensible use of bandwidth, affordability of equipment and payoff from investment. (**Broadcasting**, Nov. 11, p.20) ☐

James Mooney

James P. Mooney, president of the National Cable Television Association, is recognized as having been the cable industry's principal strategist in the effort which resulted in enactment by Congress of the Cable Communications Policy Act of 1984. Mooney was well suited to the task of maneuvering the complex legislation through the final hours of 1984's second congressional session. He assumed the presidency of NCTA in July 1984 after serving three years as the association's executive vice president and briefly as vice president of government relations. Before going to NCTA, he served for four years as chief of staff to the Majority Whip of the U.S. House of Representatives (who has a major role in scheduling legislation for voting), and for six years in other Capitol Hill staff positions. He has taken an active role in steering the cable industry around other potential pitfalls, counseling cable operators on how best to avoid the wrath of the Justice Department in instituting scrambling schemes (see **Update 16**), and in mapping strategy that has won the cable industry major contentious court cases. ☐

In Profile

Capital Recovery Threatens Phone Industry

A $15 billion to $25 billion threat is wrapped like a cobra around the roots of the competitive telecommunications revolution, and soon somebody—either telco ratepayers, shareholders, or both—is going to get squeezed. The threat is capital recovery of older equipment. Experts at a recent seminar held by the consulting firm Touche Ross & Co. agreed that it is the fundamental economic issue facing the telephone industry as it evolves from a regulated monopoly to a semi-regulated competitive market. The seminar brought together industry representatives, financial analysts and state regulators, who shared ideas on how regulated telephone companies can recover capital for the older central-office equipment still on their books. In many cases, the equipment is still usable but can no longer compete with the souped-up gear owned by new, unregulated communications competitors. "The telephone companies are in a bind," said Joseph Kraemer, Touche Ross vice president, Washington. "If they want to compete, they need to modernize. If they want to modernize, they have to more quickly amortize their equipment." In the old monopoly days, telephone companies bought central-office equipment engineered to last nearly forever. The capital depreciation could be stretched out over the books for 20 years or more, and ratepayers slowly and quietly paid it off without feeling a thing. But around 1980, as owners of various microwave, satellite, fiber and other bypass technologies began to compete with local telephone companies for big customers, that leisurely amortization pace began looking more and more like a luxury the companies could not afford. "There's only one solution," said Illinois state regulator Stanford Levin. "You have to recover the deficiency through the rates for a dwindling number of monopoly services." That solution may be easier for Illinois to take than for New York's Nynex. Recording that deficiency as an expense would cost Nynex's customers

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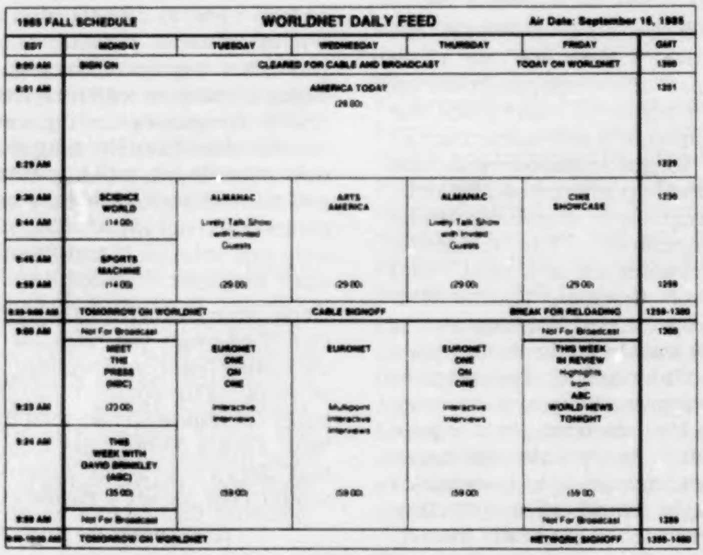
FEATURES

Barter Study Under Way

The growth of barter syndication—the acquisition by television stations of programming in exchange for advertising time rather than cash—and its impact on television stations will be the subject of a study commissioned by the Association of Independent Television Stations and the Station Representative Association. According to INTV, barter syndication "has seen rapid growth over the last five years . . . The number of barter shows offered at the annual INTV and NATPE conventions has nearly tripled while national advertisers' spending on barter has jumped from less than $100 million to nearly $500 million." The growth has met with mixed reactions," INTV said, adding that "by offering advertisers an additional television vehicle for national advertising, barter competes head-to-head with network advertising sales, and, according to one point of view, with national spot sales as well. At the station level, barter reduces the inventory a station has available for spot and local sales while at the same time reducing cash outlays for programming." The survey will focus on the stations, according to INTV President Preston Padden. "For us, the critical issue is the impact of barter at the station level." The survey will take both a "macro perspective" of the amount of barter that "is likely to be out there in five years," and a "micro analysis" to gauge the implications of barter for an individual station, he said. The results of the study will be presented at INTV's annual convention in January. ☐



1985 FALL SCHEDULE — WORLDNET DAILY FEED — Air Date: September 16, 1985

EDT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1200
8:01 AM			AMERICA TODAY (29:00)			1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(22:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information:

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Broadcasting Publications, 1735 DeSales St., N.W., Washington, DC 20036, USA (Telephone 202-638-1022) for **Broadcasting** magazine, a weekly.

Business Research Publications, Inc., 1036 National Press Bldg., Washington, DC 20045, USA (telephone 202-347-2654) for **Telecommunications Reports**, a weekly.

CMP Publications, Inc., 600 Community Drive, Manhasset, NY 11030 (telephone 516-365-4600) for **Communications Week**, a weekly newspaper.

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M St., N.W. Washington, DC 20054, USA (telephone 202-632-7000 for general information) for press releases and texts.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, MD 20854 (telephone 301-340-2100, telex 358149) for **Satellite News**, a weekly newsletter.

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, DC 20036, USA (telephone 202-872-9200, telex 6502173616 via WUI) for **Satellite Week**, and **Television Digest**, weekly newsletters. ☐

***Capital Recovery**, from page 7*

an 18% annual rate increase for each of the next five years. Acknowledging that such rate increases aren't politically tenable, Levin said the other extreme would be for Nynex to write off the $5.8 million before taxes in 1990 (proof the problem will take some time to resolve.) (**Communications Week**, Nov. 4, p.46) ☐

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Telecommunications UPDATE

Volume I, Number XVIII

Washington, DC 20547

FCC Approves Major Media Mergers

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In mid-November, the Federal Communications Commission (FCC) approved Capital Cities Communications' $3.5-billion acquisition of the ABC network (see **Update 1,** p. 1) and Rupert Murdoch's $1.5-billion acquisition of six Metromedia television stations (see **Update 4,** p. 1). It also approved the $450 million sale of Metromedia's television station in Boston to the Hearst Corp. The approval removes the last barrier in the way of both major takeovers. The FCC's action was required, as station licenses were changing hands. The decisions were complicated by requests from the parties for waivers of certain FCC rules limiting ownership of newspapers and broadcast stations in the same market, and of two cases where station coverage areas overlapped—normally outlawed. The FCC granted the waivers (most of them for temporary 18 month periods) requested. (From a story in **Broadcasting,** Nov. 18, 1985, p. 39.) ☐

United Press International Sold

After an extremely involved and difficult process, the United Press International (UPI) news service was sold in mid-November to a combination of two of the final six bidders for the debt-ridden agency (see **Update 4,** p. 2). The new controlling partner is Mario Vazquez Rana,

(continued on page 6)

SHORT SUBJECTS

Western Union recently announced that Westar 2, the second of its 5 domestic communication satellites, has entered its 12th year of service, setting a record for satellite longevity. The first U.S. commercial domestic satellite, Westar 1, was retired in 1983 after 9 years of service. (From **Satellite News,** Nov. 4, 1985, p.6)

■

Some 95% of all cars are radio equipped (for a total of 122 million cars) and 73% can receive FM stations—the latter figure up sharply in the past five years. About 20% of all radio listening now takes place in automobiles.

■

Noncommercial WGBH(FM) in Boston has aired the nation's first live digital broadcast direct to local stations. Using DBX digital audio processors, the station produced a digital version of an Oct. 31 performance of Switzerland's Orchestre de la Suisse Romande from the Massachusetts Institute of Technology Kresge Auditorium.

WORLDNET

(see page 8 for schedule)

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IA 1.16/2:

Insuring the Risks of Satellites

Hearings before a Congressional subcommittee have brought forth suggestions that the federal government consider entering the satellite launching insurance market to a limited degree. The number of satellites lost over the past year or so has made it harder for carriers to obtain sufficient insurance against loss on new satellites taken into orbit by either the U.S. space shuttle, or the French Ariane launcher. Several industry figures urged the government to consider taking on a kind of "last resort" insurance role for firms unable to obtain commercial insurance. Others suggested a government-industry cooperative approach to insurance needs of the satellite business. A number of insurance providers strongly disagreed, saying the current tight money situation in the space insurance market was merely temporary because of the recent substantial underwriting losses. James Barrett, president of International Technology Underwriters Inc., an insurance provider, urged that satellite manufacturers rather than users take on more of the risk. "Manufacturers retaining more of the risk will be a strong motivator to increase reliability" said Barrett. During the past six months, the insurance industry has paid out $1 billion in claims from spacecraft losses. Premiums collected during the time total $400 million, resulting in a net loss to insurance companies and syndicates of $600 million. He predicted that satellite insurance costs will rise to 30% of insured value. Charles Schmitt, vice president and general manager of RCA AstroElectronics said that satellite designers and manufacturers could not be held responsible for the failure of propulsion stages and rocket motors since they are the product of a separate group of manufacturers. And the general counsel of the National Aeronautics and Space Administration which has charge of the space shuttle felt it was premature to consider a government role in the satellite insurance market. A spokesman for the U.S. Department of Transportation echoed that feeling. The two days of hearings failed to produce any consensus on who should shoulder the burden for future space insurance liability. An indication of the unsettled state of the satellite insurance market came with RCA's announcement in November of its planned launch of its Satcom Ku-2 spacecraft without any insurance (RCA Americom could not get any), thus assuming about a $100 million risk itself. (From stories in **Satellite News,** Oct. 28, 1985, p. 3; Nov. 4, 1985, pp. 1-2; and Nov. 18, 1985, p. 1.).□

Pac Bell's ISDN Test

"Project Victoria," the first small-scale Pacific Bell test of the Integrated Services Digital Network (ISDN) technology is due to start in Danville, California, in February. It will provide several videotex-type services for the six month period, including Chronicle Information Services and Dow Jones News/Retrieval, plus MCI Mail, banking by home computer from Security Pacific bank, and Pacific Gas and Energy Co. energy audits and tips. After the Danville test results are reviewed, Pac Bell plans a longer, larger marketing trial elsewhere in California starting later in 1986. Although the company will not reveal pricing objectives for the ISDN service, Pac Bell hopes to roll out a commercial version in 1987 pending regulatory and patent approvals. About 200 homes and a few small businesses such as insurance and real estate will take part in the Danville test, which permits a single phone line to carry two voice and five data transmissions simultaneously. The Victoria test is expected to be used as well for various enhanced graphics systems. Nearly 1,100 homes and businesses have volunteered to participate. Certainly one reason for that is the lack of any subscriber fees during the test in Danville, an upscale community to the east of San Francisco. Further, every test site well be lent an Apple Macintosh computer specially equipped with the needed decoder. (From **International Videotex Teletext News,** Nov. 1985, p. 1.) □

New Still-Video System

Sometime this winter, Eastman Kodak will release the first phase of an electronic imaging system that will allow consumers to display photographs on their TV screens and make hard copies of those images. The Kodak system will allow processing labs to transfer film negatives to compact floppy discs, which can then be displayed on TV sets. Only one of the new system's four components will be available this winter: a color video imager, which produces the "instant" hard copy from the picture on the screen. The other components of the still-video system include a compact video floppy disc, which can hold up to 50 35mm film images; a film-to-disc transfer station to enable photo-processing labs to put the images on discs; and a still-video player/recorder. The latter is designed to display photographs on TV sets and record still images from a variety of video sources. (From **Electronic Media,** Sep. 23, 1985, p. 29.) ☐

Inmarsat Takes to the Air

Inmarsat recently altered its charter agreement to permit provision of services to the aviation community. These will include data links for airline operational and performance monitoring, weather and other information. The links would also permit aircraft locations to be monitored while in flight. A voice service is planned which would enable airline passengers to place telephone calls while in flight to anywhere in the world. (From **Satellite News,** Nov. 4, 1985, p. 6) ☐

Space Shorts

Modulation Associates has introduced a suitcase-size portable satellite uplink designed for remote broadcast and satellite news gathering applications in North America.

■

Comsat General has inaugurated the American Law Network, a satellite network that will broadcast continuing legal education programs throughout the United States. The Ku-band network consists of an uplink in Washington, D.C. and downlink earth stations at 37 law-related and educational facilties nationwide, with 13 more to be added soon.

■

The newly-approved Irish direct broadcast satellite (DBS) system will use a Hughes Aircraft satellite for the system which will have the capacity to transmit to North America as well. And Luxembourg's DBS company has reached agreement with RCA Astro-Electronics to purchase one satellite and to hold a second on option. ☐

Privacy and Changing Technology

A congressional study has found that current U.S. laws fail to protect the privacy of a variety of computer, mobile and satellite communications links. Issued by the congressional Office of Technology Assessment (OTA), the study appears to support several bills pending before both the House and Senate which would cover such technologies as electronic mail, data communications, cellular radio, and video conferencing. The OTA found that about 25 percent of federal law-enforcement and investigative agencies used some form of electronic surveillance or planned to do so. Fourteen of 142 such federal bureaus used or planned to use telephone taps, recorders and pen registers (which record phone numbers and locations dialed). Six of the bureaus included computer usage monitoring among methods of surveillance; six included electronic mail monitoring or interception; five pointed to cellular radio interception; four cited satellite interception. Federal agencies aren't alone in using new surveillance techniques, the study said. "New electronic technologies in use by individuals, such as cordless phones, electronic mail and pagers, can be easily monitored for investigative, or personal reasons," the study said. Technological solutions aren't readily available yet, the study said. "Encryption—the only technological countermeasure currently considered to be generally effective—is still too expensive and cumbersome for widespread applications, although costs are declining and ease of use is improving" the OTA said. The study suggested congressional action as policymaking by the courts or executive branch might lead to continued uncertainty and confusion. (From **Communications Week,** Nov. 4, 1985, p. 29.) ☐

REGULATION

Reregulation to Help AM Radio

According to Jim McKinney, chief of the Mass Media Bureau of the Federal Communications Commission (see **Profile,** p. 7), if the listenership of AM radio continues to decline at the 3%-a-year loss it has suffered since the 1970s, "It will wipe out in 1991." One survey says AM radio has lost 77% of its listening audience in the past 10 years. McKinney is well aware that he is working for a commission that has as its hallmark, "Let the marketplace decide," and that the commissioners are likely to take that approach in any consideration of changes in AM. He even suggests his bosses made a mistake in not selecting an AM stereo system instead of leaving it to the marketplace to decide. They feared drawn-out litigation if they had picked one system over another, McKinney says, but adds that the longest time likely to have been spent in litigation would have taken less time than the marketplace has taken. "If it was important to get stereo out quickly," McKinney adds, "then the marketplace is a failure." He said it was time for the commission "to step back and look at AM, and see it if should change the rules, if it made mistakes, and see if it can get AM radio back on a competitive level." What the FCC has done so far in the past two years, McKinney said in a recent speech, has been "nibbling away at some troublesome technical rules in AM." One thing the commission could consider, he says is modifying the rules that prohibit a broadcaster from owning two stations with overlapping signals. Two AM stations can operate more cheaply if they are operated out of the same facility with the same staff, he says. The limits could be lifted in those cases where two AMs in close proximity are failing, McKinney notes. If the FCC were to throw out the existing AM rules and start over, he says, "The first thing I suspect we would do is allow AM to duplicate FM programing in all markets where AM and FM stations are co-owned. Just as it was logical and made good public policy sense 40 years ago to permit the profitable AM service to support the developing and unprofitable FM service, it seems to me the same, albeit reversed, public policy justification exists today." McKinney went on to say he felt past FCC rulemakings had confined AM to being a local broadcasting service when its spectrum location and allowable power could make it a good regional radio system. And, he feels the FCC must examine the high amount of interference, and thus noise, on the AM band (see **Update 16,** p. 6). Citing the philosophy of a majority of the commissioners. McKinney says he's a strong believer in the old adage that if something isn't broken, don't fix it. But he feels strongly AM radio is broken—and needs help. (From **Television/Radio Age,** Oct. 28, 1985, pp. 95-96.) ☐

More Satellite News Services

The impact of satellites on the news operations of television stations seems to know no limits. The sudden accessibility of the satellite a few years ago spawned the creation of alternative news sources, ready to feed stations material not available from their respective networks. Now, as the traditional networks are gearing up to expand their own off-the-air news services to stations, a check with news directors around the country indicates their use of satellite-fed alternative sources, if anything, is growing. Seventy percent of all local TV stations now subscribe to at least one sydicated news or related service. Stations are utilizing alternative sources for many reasons, chief among them the ability to receive live or taped footage of breaking stories faster than their respective networks are able to provide it. Other advantages include (1) use of a service's satellite facilties to relay back a station's own remote coverage, and (2) receipt of timely feature material which can often be fitted into a station's own local reporting. Among all the feature material available to stations, stories with a medical/health angle appear to be in unusually high demand. The proliferation of satellite facilities also has enabled stations to set up their own networking with other TV outlets. (From **Television/Radio Age,** Oct. 28, 1985, p. 29.) ☐

If You Can't Beat 'em, Join 'em

Some cable operators are becoming part of the satellite receiving dish market that many others in their industry are openly warring with. At least two multiple system operators are already selling dishes to consumers in their franchise areas, and numerous others are apparently planning to do the same. And assuming the operators are successful in their current drive to persuade cable programmers to scramble their satellite signals, the dish-selling cable companies with them also sell or lease the decoders that dish owners will need to view scrambled-signal programming. The dishes generally sell for $2,000 to $3,000 each and the decoder for about $400. And on top of that, once cable services are scrambled, programmers will charge subscription fees to dish owners. The two major MSOs that have already begun selling dishes are Cox Cable and Heritage Communications. Both have established pilot marketing programs for the sale of home satellite dishes. Many if not most of the country's booming dish sales are to viewers who live in rural areas. Cabling those areas is often too expensive to be profitable. Home satellite dishes are now selling at the rate of 57,000 per month according the SPACE, the satellite TV industry association. It is such soaring sales that fueled the cable operators' drive to get programmers to scramble. Whatever the outcome of the various efforts to scramble signals, the debate is driving the cable and home satellite dish industries into a complementary relationship—and seems destined to drive program providers and system operators further apart. (From **Electronic Media,** Nov. 11, 1985, pp. 1, 46.) ☐

PROGRAMS

Request TV Begins Pay-Per-View National Service

The cable television industry's first full-time national pay-per-view service began late in November as "Request TV," initially transmitted movies via satellite to 10 cable systems with about 110,000 "addressible homes" (such homes have decoder boxes allowing the central office of a cable system to deliver programs on demand on selected channels—for a fee—hence, pay-per-view). The service will offer 2 to 4 movies per week, about 2 to 3 months after the films have been released for home video sale or rental. Nine different film studios have nonexclusive agreements with Request TV to participate. Next year, the company will broaden the product mix with rock concerts or other musical events, followed by sports, theater and various other entertainment presentations. The new cable service makes its income from flat fees paid by the movie studios for access to the satellite transponder used for delivery of the service (transponder 12 on the Galaxy I satellite). According to various industry research services, about 8 million cable subscribers have the capability of receiving pay-per-view programming (i.e., they have addressible decoder boxes). Request TV will scramble its signal (see **Update 12,** p. 7). Subscribers will pay about $4 to $5 per program. (From a story in **Cablevision,** 4 Nov. 1985, pp. 14-15.) ☐

CABLE—TV

HBO to Cater to an Older Audience

Home Box Office (HBO) will launch a new pay service aimed at an older audience early next year, according to sources at HBO and among cable operators. The service, tentatively titled "HBO Plus," will be designed to serve subscribers in their 40s and older, and will feature a combination of HBO-originated programming and theatrical films, with some of them possibly being edited to tone down strong language, sex and violence (see **Update 16,** p. 5). HBO is said to be seeking enough systems to commit to carrying the service to allow a launch of the service next year at or close to the financial break-even point. But some cable operators cautioned that the older audience group has generally been the hardest to sell on cable service. (From a story in **Cablevision,** Nov. 4, 1985, p. 11.) ☐

RESEARCH
& Technology

Television Losing Some Appeal?

According to a just-published study, the American family's "attitudes toward television, very favorable in 1960, down a bit in 1970, are, by 1980, even more depressed." Based on a national survey in 1980 of more than 2,000 adults, and building on similar research done in 1960 and 1970, the new study concludes that there is "a definite fading of enthusiasm, but one that stops far short of rejection." The medium has certainly lost its glamor of novelty—and fewer people now think television is improving over time. Yet "the viewing of the average adult American **increased** at a steady pace up until the mid-1970s, when it seems to have leveled off. In 1980, an average viewer was watching about 20 percent more television than he had watched in 1960." As the study summarizes this seemingly odd finding: while Americans use television more they are not quite sure that they should! (From Robert E. Bower, **The Changing Television Audience in America,** Columbia University Press, 1985. Note: **Update** will review this title in the next issue.) □

RCA Drops Plans for Satcom 6

RCA Americom has told the FCC it will not build and operate Satcom 6, the C-band domestic satellite intended to be modified for trans-Atlanic coverage. RCA acknowledged it saw a substantially decreased growth rate in the market for C-band satellite service. With the loss of RCA Americom as a player in the international satellite field—at least for the moment—chances narrow slightly that one of the 5 companies approved by the FCC will actually provide those services. RCA, as a well-established entity in satellite communictions, was considered by many to be the most likely U.S. firm to compete with Intelsat. While RCA emphasized they were convinced that the authorization of competitive international satellite system was a significant step, they felt the FCC grant was too restrictive, making it difficult, for example, to serve the occasional television market. The FCC had authorized RCA Americom to use 6 transponders on Satcom 6 for international service. The 25% international capacity was apparently not enough to justify building the satellite with 75% of the capacity intended to serve what RCA now forecasts as a depressed domestic market. (From a story in **Satellite News,** Nov. 4, 1985, p. 8.) □

NBC Grabs a First

For the first time since its birth as a television network 45 years ago, NBC is the odds-on favorite to win the prime time network ratings race. Although the 1985-86 television season is just seven weeks old—and national ratings are available for only six—the growing consensus on Madison Avenue (advertisers), Wall Street (the investment community) and Hollywood Boulevard (the West Coast program center) is that NBC will overtake CBS this season in the prime time ratings, ushering in the first major reordering of network standings in a decade. Since measurement of three-network competition began in 1956, CBS has reigned over prime time as if by divine right, winning 25 of the past 29 seasons. CBS lost to ABC in 1970-71, and again in the 1976-79 seasons. (From **Broadcasting,** Nov. 11, 1985, p. 36.)

United Press Intl.,
from page 1

a Mexican publishing magnate with interests in Mexican broadcast stations as well. A 10% minority interest is held by a Houston real estate developer, Joe E. Russo. The sale price was just under $42 million which will go mainly for payments to creditors and operating costs for the next two years. The new owners have promised a continued "hands-off" policy concerning the agency's editorial independence. They also appear willing to invest in staff salaries and improvements in agency facilities. Morale at UPI, headquartered here in Washington, D.C. has not been good over the past couple of years of ownership in-fighting and financial losses. UPI has for years been an ever-weaker competitor to the old Associated Press (AP) news service. □

James C. McKinney

Jim McKinney is a career Federal Communications Commission employee with the unusual distinction of having headed three of its largest bureaus in recent years. He has an earned reputation as an excellent administrator of large departments. For a number of years he was chief of the Field Operations Bureau, the FCC's engineering and enforcement branch with offices across the country. He was then assigned to head the troubled Private Radio Bureau which licenses all non-broadcast and non-common carrier applications of radio. For the past three years, he's been chief of the 300 person Mass Media Bureau from which come most FCC policies and decisions on electronic media questions. Most recently, McKinney has expressed growing concern about the technical and economic troubles of AM radio—oldest of the electronic media regulated by the FCC (see **Regulation,** p. 4). As an electrical engineer, McKinney sometimes differs with the deregulatory stance toward things technical taken by today's FCC. In his spare moments, McKinney is an instrument-rated private pilot who flies his own plane, and an amateur photographer with both film and videotape. And he's an unabashed fan of commercial television! □

In Profile

Should TV Aim for Older Viewers?

For years, television programmers and advertisers have been weighing the advantages of going after older viewers. Those in favor argue that the country is getting older and the old are getting younger thanks to the miracles of modern medicine and healthier lifestyles. The argument from the other side—which so far has prevailed—is that 18-to-49 is still the magic age bracket, the group to capture. Now, however there are early signs of a shift in the prevailing winds. Suddenly, NBC's "Golden Girls," about a group of over-50 women, is becoming one of the season's hits. And CBS's "Murder, She Wrote," starring a middle-aged woman (actress Angela Lansbury), is one of last season's successes. But programmers and researchers caution about making too much too soon out of these hits. While the median age of Americans will rise from 26.8 years in 1970 to about 33 by 1990, to announce a clear trend seems premature. Indeed, the demographics (or groups of audience defined by gender and age) for these programs is about as young as for other prime time program series. For example, while a fifth of the audience for "Golden Girls" came from women over age 50, another fifth were children aged only 2 through 17! And most advertisers appear to be still looking for younger potential buyers—those in the 20 to 40 bracket. (From a story in **Electronic Media,** Oct. 21, 1985, p. 1.) □

Datebook

For your planning schedule, here is a list of major meetings in the Tele-Technology field:

Nov. 14-15—"Mergers and Acquisitions in the Communications Industry," seminar sponsored by *Law & Business Inc., Harcourt Brace Jovanovich* Omni Park Hotel, N.Y. Information: (800) 223-0231

Dec. 4–6—Western Cable Show, sponsored by *California Cable Television Association* Anaheim Convention Center, Anaheim, Calif.

Jan. 5–9, 1986—*Association of Independent Television Stations* 13th Annual convention, Century Plaza, Los Angeles.

Feb. 2–5, 1986—*National Religious Broadcasters* 43rd annual convention, Sheraton Washington, Washington, D.C.

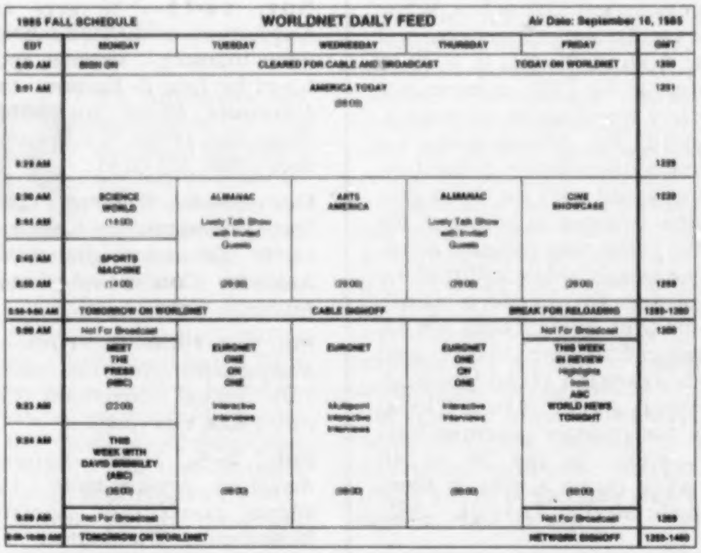
FEATURES

Booknotes

The Law of Computer Technology by Raymond T. Nimmer (Warren, Gorham & Lambert, 210 South St. Boston, MA. 02111—$78.00) is a legal treatise on where things stand in the U.S. on a constantly changing area of law. The law professor author divides his 600 pages into three areas: the protection of innovations and incentives (including copyright and patent law), discussion of technology licensing and international trade considerations, and more general issues including computer crime, electronic publishing, privacy concerns, and the like. It is clearly organized, current through 1984, and supported by a forest of footnotes!

The Politics of Deregulation by Martha Derthick and Paul J. Quirk (Brookings Institution, 1775 Massachusetts Ave. NW, Washington, D.C. 20036—price not given) explores how and why several crucial industries came under substantial deregulation in the 1975-80 period. The authors explore air and truck transport, and telecommunications as examples of the interaction between trends in government, industry, technology, and economic thinking which came together in a movement for substantial change from what had traditionally been heavily-regulated businesses.

(From review comments in **Communication Booknotes,** Nov. 1985.) ☐



1985 FALL SCHEDULE — WORLDNET DAILY FEED — Air Date: September 16, 1985

EDT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (28:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC)					
	(35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Arlen Communications, Inc. P.O. Box 40871, Washington, D.C. 20016, USA (telephone 301-656-7940 Telex: 4996981)
(for **International Videotex Teletext News,** a monthly)

Broadcasting Publications, 1735 DeSales St. N.W., Washington, D.C. 20036, USA (telephone 202-638-1022)
(for **Broadcasting,** a weekly)

CMP Publications, 600 Community Drive, Manhasset, N.Y. 10030, USA (telephone 516-365-4600)
(for **CommunicationsWeek,** a weekly)

Communications Booknotes, Department of Communication, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243)
(for **Communications Booknotes,** a monthly)

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200)
(for **Electronic Media,** a weekly)

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M. St. NW, Washington, D.C. 20054, USA (telephone 202-632-7000 for general information)
(for press releases and texts as cited)

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, Colo. 80203, USA (telephone 303-860-0111)
(for **CableVision,** a weekly)

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, Md. 20854 USA. (telephone 301-340-2100)
(for **Satellite News,** a weekly newsletter)

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, N.Y. 10020, USA (telephone 212-757-8400)
(for **Television/Radio Age,** and **Cable Age,** bi-weeklies) ☐

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Telecommunications UPDATE

Volume I, Number XIX **Washington, DC 20547**

New Era of Ku-Band Broadcast Satellites?

RCA made a dramatic splash in space at the end of November with the space shuttle launch of its first Ku-band satellite, Satcom K-2. The transponders RCA is leasing out offer the broadcast industry a permanent vehicle for use of Ku-band transmissions, a development significant for two reasons. Because Ku-band transmissions are higher frequency and more intense than standard C-band transmissions, they can be received with smaller and less expensive antenna dishes—including consumer-rooftop models. Also, the Ku-band signal is far less susceptible to microwave and other land-based interference. (Because of microwave interference problems, television stations traditionally have had to place their C-band receiving satellite dishes at a location remote from their own transmitting equipment. With Ku-band signals, however, microwave interference is no longer a problem. Further, Ku-band dishes are approximately one-third the size of C-band dishes.) All services with the Ku-band transponders will get off the ground next year. (From **Electronic Media,** Nov. 25, 1985, pp. 1, 30.) The satellite's 16 transponders are all taken. NBC will use six or perhaps eight to distribute its programming to affiliate stations and to implement its Ku-band news exchange among affiliates. Hubbard Broadcasting holds leases on four. It plans to turn one over to its Conus Communications, a growing satellite news gathering exchange, and the other three to a new company, still in its formative stages, that will procure and distribute first-run programming to ad hoc networks of network affiliates and independent stations. That Satcom K-2 will have hundreds of antenna dishes looking at it when it becomes operational in January is no accident. To make the satellite attractive to distributors of broadcast programming, marketers at RCA offered free earth stations to all full-power commercial stations, with one string attached—the dish must be pointed at Satcom K-2 at all times. So far, well over half of the 900 commercial stations have asked for

(continued on page 6)

SHORT SUBJECTS

The rumblings are that at certain very high levels of Time Inc. concern over the videocassette recorder's effect on pay cable has gotten to the point where Time might be thinking about finding a buyer for HBO/Cinemax. (From Electronic Media, Nov. 18, 1985, p. 8.)

■

Within a few weeks of each other, both ABC and CBS announced they are getting out of the theatrical film business. Both have struggled for creative and financial success since 1979 with little luck. One reason is the decline in network use of theatrical films in favor of made-for-television features.

WORLDNET

(see page 8 for schedule)

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Turner Decides Not to Sell to NBC 7

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Stereo Breakthrough on Network TV?

Stereo television can help lure younger and male viewers back to network television and enhance the viewing experiences, but first it must overcome a number of obstacles. That was the consensus at a recent conference in Denver. Stereo, long embraced by cable networks such as MTV, VH-1, the Nashville Network (all of which provide music) and the premium movie channels, is gaining a foothold in broadcast, thanks in large measure to the music video-inspired look and sound of prime-time hit drama program "Miami Vice." NBC broadcasts more than 20 hours each week in stereo, ABC offers one drama series in stereo and the National Public Television Network sends a number of musical performance programs in stereo. CBS does not provide stereo service at present. The major obstacles to stereo television development are the increased use of synthesizers to simulate stereo sound and the cable industry's resistance to carrying the stereo signals of broadcast stations. Synthesizers, which can separate various elements of sound into two channels and add a "reverberating presence" are used by stations to simulate stereo when they are not carrying a true stereo broadcast. As it is an enhancement of monophonic sound, consumers appear satisfied. True stereo is far better--but is also more expensive to transmit and receive. Stereo production is estimated to add $3,000 to $15,000 to the cost of a typical network show. Costs run to $5,000 for extra personnel and equipment rental to add stereo to a live sporting event. A number of observers fear that consumers used to the quality of stereo sound on compact discs or the new VCR machines will not be satisfied with poorer quality from over-the-air television. So they urge a greater amount of attention to overall television audio quality. (From a story in **Electronic Media,** Nov. 18, 1985, p. 44.) ☐

Geneva: Technology Plays a Part

The Japanese television network NHK and the three American networks sent almost 1,000 of the estimated 3,800 jounalists accredited for the recent summit meeting between President Reagan and General Secretary Gorbachev. Swiss TV (SSR/TV) grappled with the task of providing live feeds for TV stations in 42 other countries. A lot of this was done through the Eurovision network. SSR/TV deployed 27 cameras around Geneva to cover every aspect of the meeting. Twenty foreign networks set up shop in the International Press Center, and seven to eight satellites were booked by the U.S. networks, NHK, and ARD of West Germany. The other feeds were handled through post office land lines. The Swiss Post Office says it provided more than 700 extra telephones and telex links in the city of Geneva, more than 250 internal sound links between the various site of the meeting, and 100 video and sound circuits between SSR's transmitting facility and the international press center for transmmission around the world. More than 100 mobile TV microwave links were operational between outside broadcast sites and the TV studios, and approximately 300 frequencies were available for various radio and TV requirements. (From a story in **Electronic Media,** Nov. 25, 1985, p. 20.) ☐

Fiber and Satellite Overcapacity?

Concerns about potential overcapacity of U.S. long-distance circuits due to a rapid growth of satellites and fiber optic cables is greatly exaggerated, suggests a recent U.S. Department of Commerce Study. Although only 53% of U.S.domestic satellite capacity is presently used and fiber optic systems are projected to increase long-distance transmission to almost six times the present capacity, the study suggest three factors that minimize concern of overcapacity. First, long-distance systems, whether used for telephone or video transmission, have to be designed with peak use periods in mind, and thus are bound to have under-use at other times. Second, the report suggests that unneeded or redundant facilities will simply not receive funding if they are proposed. And third, according to the report, those who fear future overcapacity do not consider the potential for rapidly accelerated growth in data communications traffic in commercial, industrial, financial and retail trade transactions especially as computer and communications faciltites are increasingly combined into a network. (From a story in **Satellite News,** Nov. 11, 1985, p. 1). □

Satellite Antenna Makers Rally Against Scrambling of Broadcast and Cable Signals

The continuing debate about scrambling broadcast and cable signals-plus the specific announced plans to do just that by some cable networks—has brought a response from the makers of the TV receive-only (TVRO) antennas. The "backyard" earth station makers and users held a rally in Washington, D.C. to enlist support in their fight for legislation postponing or limiting the scrambling of program signals by such major service providers as Home Box Office (HBO). Their primary concern is the potential consumer impact of incompatible decoding systems, and thus the uncertainty created by an environment of multiple scrambling standards. At issue now are the plans of HBO which is preparing to scramble its signal fed to cable systems beginning in January. Proponents of backyard antenna technology are lobbying hard to halt such action by HBO and the major broadcast networks until an affordable decoder device is widely available on the marketplace. M/A-Com is a likely choice to manufacture descrambler devices—but it has said it could have only about 25,000 units available by HBO's scheduled January scrambling of programs. There are an estimated 1.6 million users of TVROs. (From a story in **Satellite News,** Nov. 4, 1985, p. 5.) □

MMDS Getting off the Ground

After languishing on the launch pad for more than two years, multichannel multipoint distribution service (MMDS) is finally poised for lift-off into the major urban areas of this country. The Federal Communications Commission (FCC) in September began the long-awaited and often-delayed process of selecting "tentative licensees" for two four-channel MMDS blocks per market. As a result, full-scale MMDS or "wireless cable" will likely debut during the next year in at least 23 major cities, many of which are not yet fully wired for cable television. MMDS got its regulatory start in May 1983 when the FCC allocated two blocks of four channels each in major market. Lotteries to select licensees have taken place three time thus far. Many of the tentative selections are already operators of the existing single-channel MDS service or have other microwave interests. In some of the major markets, up to 150 hopefuls applied for each of the four channel blocks available. Where assignments have been make, it appears increasingly likely that the licensees of the two four-channel facilites will combine their efforts with the one or two single-channel operators already in service—thus creating the likelihood of 10 channel MMDS service. And, the potential channel capacity of MMDS is actually much higher. As part of its allocation scheme, the FCC has allowed MMDS hopefuls to make deals with educational licensees in nearby spectrum to lease additional channels for commercial use. When all of this is added up, the sum is a possible 33 microwave channels available for video program distribution in each of the largest markets—a scenario which could pose stiff competition to a cable industry currently wrestling with costs of wiring big cities. Yet that competition with cable is a crucial point—noted one analyst: "I don't think anybody expects to go very far with MMDS in areas already heavily saturated with cable." MMDS is far less expensive to construct than cable, the microwave approach running but 10% of cable costs. (From a story in **CableVision,** Nov. 18, 1985, pp. 58,60.) □

VCR Movie Prices Dropping

Sales of prerecorded videocassettes (VCRs) promise to get a strong boost during the Christmas season from a broad reduction in the price of video movies.

(continued on page 5)

REGULATION

Grappling with Cable and Copyright

Editor's note: *one of the most complicated and divisive topics in communication policy is how to protect individual rights as technology changes. In this country, one major debate has been over the rights of program copyright holders when their material is retransmitted by cable systems from some other source. That debate appears to be coming to a head as Congress moves to consider revising our copyright legislation.*

Ten years ago, when Congress updated the U.S. copyright act for the first time since 1909, the new law filled 62 printed pages. Eight of those pages were devoted to secondary transmissions of copyrighted material—meaning cable. That section was one of the toughest parts to write because it dealt with what was then a fledling industry, cable television. The congressional authors of the act knew their approach was only a temporary way of handling the intellectual property rights of individuals and businesses whose works made for theatrical or broadcast use are subsequently shown on cable. The authors knew that sometime in the future, the section would have to be rewritten—and now, just about everyone affected by the section wants it rewritten. Congress says, "Fine, show us how," and at least two industries are doing just that. The movie and cable industries, enemies in many self-interest fights, have been holding meetings this year aimed at changing the current system of copyright royalties (broadcasters have yet to become very involved in the negotiations), a system that has proved to be a serious problem for both parties. None of the organizations involved is interested in saying anything that might jeopardize the very sensitive process, but they do say that the talks are based on the idea of maintaining the current amount of money involved—about $85 million for 1984—while eliminating the current and complicated royalty arrangement which is based on a percentage of a cable system's gross receipts. Instead, a flat fee would be assessed per signal carried, per system subscriber. Of that money, the movie industry has typically received about 80 percent. The chief congressional author of the 1976 act, Representative Robert Kastenmeier (Democrat, from Wisconsin) would like to see revision along those lines. But he and his colleagues have no interest in going through a rewrite process unless the industries involved can agree. Without that agreement, lobbying by those in disagreement would make any successful congressional effort almost impossible. But Kastenmeier also serves notice that whatever comes out of the negotiations among the national trade associations representing each of the key industries will be received only as an industry proposal, on which Congress will freely work its will. He adds he is looking for a proposal that is not one-sided for or against any industry. An agreement was nearly reached in 1982, but came apart at the last minute. This time around, the parties seem to be taking their time in the give-and-take that may result in a new, more streamlined law. (From a story in **Cable Age**, Nov. 11, 1985, pp. C10-C12.) ☐

Aftermath of Turner's MGM/UA Takeover

Turner Broadcasting will have to dispose of assets, refinance its debt or undertake other transactions in order to meet interest, dividend and principal payment obligations on securities the company is issuing to finance the acquisition of MGM/UA. According to Turner's registration statement filed with the federal Security and Exchange Commission possible alternatives for reducing indebtedness include the sale of a minority interest in Cable News Network, the sale of some MGM facilities, cost sharing, or third party financing of MGM's business operations. The SEC filing marked the first time TBS has formally laid out the circumstances under which such steps must be taken and which options it is considering. Substantial reported losses for the first half of the year are due to increased interest expense as a result of the issuance of the debt securities and amortization used to purchase the film studios. Most likely as potential partners or investors with Turner are newspaper and publishing companies according to Wall Street analysts. Several media companies have expressed interest in participating in the services and information end of the cable business (see p. 7 for one related deal that did not take place). With their national advertising clout, several of these companies could provide opportunities for joint advertising sales effort. Turner has already had to scale back his $1.5 billion offer to MGM/UA stockholders from $29 per share in cash to $25 per share plus one issue of TBS preferred stock,

(continued on page 7)

No FCC Ban on Religious Programs

The FCC recently proclaimed—again—that it never did and never would approve a ban on religious programs on radio and television. The issue has generated 16 million pieces of mail since 1975 when the rumor began, by far more mail on one topic than the FCC has ever received. And the letters—and some phone calls—are still coming in. The FCC noted it had unanimously denied a petition in 1975 that requested a freeze on applications by religious instutions to use TV or FM educational channels. But the denial didn't have anything to do with banning religious programming. The U.S. Constitution and the Communications Act both prohibit any government agency from restricting freedom of speech in broadcasting. The letters and calls apparently result from misinformation given out to those who listen to such broadcasts. The FCC has tried repeatedly over the past decade to turn off the deluge of mail which is expensive to process. (From a story in National Association of Broadcasters **Highlights,** Nov. 18, 1985, p. 2.) ☐

VCR Movie Prices, *from page 3*
Numerous movies will be marketed and sold at retail prices of less than $30 per cassette; some will be less than $25.00. At this point in video's evolution, it appears most mass merchandizers can't sell such prerecorded tapes for more than $30, especially given widespread overnight rental of the same tapes for as little as $1.00 a night.

(continued on page 6)

PROGRAMS

Rising Importance for Basic Cable Predicted

While it continues to fight an uphill battle for advertising dollars, basic cable is a medium coming into its own. (Basic cable services are those channels, usually advertiser-supported, provided to subscribers as a part of their normal monthly payment, as opposed to pay channels which lack advertising and thus cost extra per channel per month.) At a time when the dread spectre of the videocassette recorder (VCR) is looming over the pay cable services, dramatically larger audiences are watching basic cable, ad revenues are increasing, and cable operators are placing new emphasis on marketing and promoting their basic packages. A combination of factors, including more sophistocated marketing techniques on the part of the basic services, an unsteady economy and pay audience erosion due to VCRs and other competing technologies, has brought a new awareness of the importance of basic in retaining cable's toehold in the media marketplace. Considering the impressive growth in the basic-cable audience, it's no wonder that attitudes are changing. Basic cable audiences have grown an impressive 59% since early 1983 making basic cable the fastest growing element of the TV industry. Pay-cable services increased their audience share by only 20% while broadcast network affiliate TV stations lost 6% of their share during the same period. (From **CableVision,** Oct. 14, 1985, p. 28.) ☐

CABLE—TV

Teletext Casualty of Cable Sale

One casualty resulting from Westinghouse Corporation's decision to sell its cable division (formerly Teleprompter cable, purchased in 1981) is the company's experimental teletext project, Request Teletext. Group W Cable had been exploring potential application of cable teletext for more than three years, and launched a trial service on the Buena Park, California cable system in July 1984. But Request was "phased out," as one source put it, a month ago following the decision to sell the cable division. Persons involved in the project apparently still are convinced of the long-term promise of cable teletext, however. Group W is now looking at several offers for its cable systems, being sold because the return on investment was judged not to be high enough. (From **Broadcasting,** Dec. 2, 1985, p. 9.) ☐

RESEARCH
& Technology

TV News Credibility Rates High

The Gannet Center for Media Studies, at Columbia University in New York, released its "Media and the People" study in November and reported that "Television is consistently ranked as more believable than newspapers." The study is a 50 year review of how confident Americans are of 14 different institutions in society, ranging from government (Federal, state, and local), to medical personnel, major companies as a group, law firms, religion, and organized labor. Television ranked right in the middle, and considerably above newspapers. But all the institutions were down from levels of 10 and 20 years ago. The report concluded that while the public can very much dislike the flow of particular kinds of negative news, it can and does still have strong support for and confidence in the news media. The Gannett Center was begun with a grant from the major newspaper publishing company of the same name, and is in its first year of research and publications. (From **Television/Radio Age,** Nov. 25, 1985, p. 16.) ☐

New Worldwide Radio Station

H.D. Norman Jr., a 34 year old native of Alabama is starting a new worldwide high-frequency stereo radio station, NDXE Global Radio, which will have the potential of reaching listeners from Australia to Zaire. The station will sign on July 4, 1986 with the rededication of the Statue of Liberty in New York harbor on America's Independence Day. Norman says the station, also to be known (in a verbal play on its call letters) as "In Dixie" (Dixie is an old term for the American South), will carry live concerts, sporting events, worldwide phone-in talk shows, news, international weather and popular music programs to Europe, the Pacific, and North and South America. (From **Electronic Media,** Nov. 25, 1985, p. 1.) ☐

VCR Movie Prices, *from page 5*

(There are now as many such stores as movie theaters—and the latter appear to have lost maybe 15% of their audience to the thriving VCR market.) This year should see a dramatic increase in film sales due to the number of VCR machines now in homes. The Electronic Industry Association, the trade group for electronics manufacturers, suggests VCR sales of 11.5 million units for 1985, but other estimates say sales could exceed 13 million. Additionally, the many rental outlets across the country are now seriously exploring a partial return to tape sales as well as rentals. Sales of pre-recorded tapes, now only 1.4% of all cassette transactions, may increase to about 25% by 1990, paced by these developments. (From a story in **Electronic Media**, Nov. 18, 1985, p. 6) ☐

AM Radio Program Innovation

In their continuing search for new formats to popularize AM radio, broadcasters have come up with a number of innovative ideas. Some, such as the use of game shows or programs aimed at children have already received publicity. But other AM experiments abound. This fall, WWTC-AM in Minneapolis-St. Paul switched from "urban contemporary" music to a talk format of all weather and travel features. In addition to city traffic and temperature, the format includes all airline arrivals and departures at the local airport, traffic reports covering an eight-hour drive radius around the cities and a weather call-in show. An even more experimental facet of the station is the computer software it will broadcast for one minute every hour. With the right equipment home computer owners can pick up the signal and get a printout. Listeners without computers will have to put up with a series of strange noises during that time! The format gives an "ambience of business" geared to one-minute segments with the audience expected to change about every 15 minutes, tuning in three to four times per day. (From **Electronic Media,** Oct. 28, 1985, p. 3.) ☐

Ku-band, *from page 1*

the dishes and RCA expects at least one in every television market. (From **Broadcasting,** Nov 25, 1985, p. 69.) ☐

Frederick S. Pierce

Fred Pierce, the president and chief operating officer of ABC, has been with the network for 29 years—an unusual record in a fast-changing field. He joined the then-distant third network in 1956 as a research analyst, becoming director of research five years later. He moved through several higher positions before becoming president of the network in 1974. Pierce was instrumental in building ABC's early morning programming, its concentration on sports coverage, and its top-rated prime time successes of the late 1970s. In 1983, as the hand-picked protege of ABC board chairman Leonard Goldenson, he became president of the parent company—and is thus a key player as the network comes under control of Capital Cities Communications early in 1986. Pierce is described by those who know him as low-key in style despite the power and pressures of the job. Those pressures will center more on television programming in the wake of some senior executive departures in the past several weeks which will result in Pierce being more directly involved in programming decision-making for the television network. □

In Profile

Turner Decides NOT to Sell to NBC

(Editor's note: Amidst all the news of mergers and takeovers in recent months, a nonsale seems a strange story. But the Turner—NBC decisions of late November may say a lot about future cable news programming.)

After a day of public discussion of what had been private negotiations, Turner Broadcasting System announced it had decided not to sell a 50 percent interest in Cable News Network (CNN) to NBC. Turner indicated that he was unwilling to make the agreement with NBC because the broadcast network was demanding editorial control in return for the $200 million to $250 million investment under discussion. "I'm sick and tired of being the little guy, of getting sand kicked in my face by the big guys," Turner said. Turner needs to sell some of his assets to help him pay for his $1.5 billion purchase of the MGM/UA film studio (see page 4 of this issue). Turner had confirmed earlier that his company was in "ongoing" negotiations with other media companies, including Time Inc. and Rupert Murdoch's News America corporation. The Gannett corporation, he said, had an "interest" in CNN, although Gannett officials have consistently denied this. NBC said it would continue to explore its own cable news initiative. Some observers were not convinced that NBC would proceed, however. Anthony Hoffman, an independent media consultant, predicted that NBC would find some way to gracefully get out of their commitment" to launch NBC Cable News because of the high start-up costs, adding that NBC created the project as a way of pressuring Turner to sell CNN. He predicted that NBC would have difficulty lining up enough cable affiliates to make the cable news operation viable. (From **Cable-Vision,** Nov. 25, 1985, p. 11.)□

Aftermath, *from page 4*

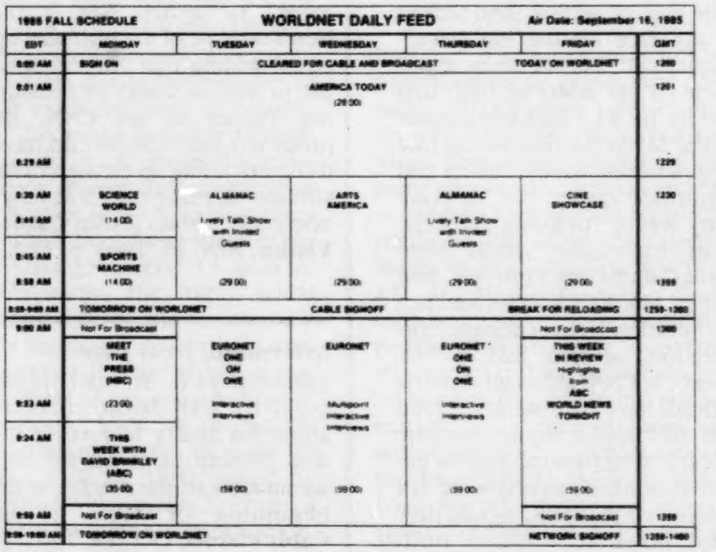
valued at $4-6, in order to respond to Wall Street concerns about his ability to finance the deal. Present plans call for consummation of the merger at the beginning of 1986. (From **CableVision,** Oct. 14, 1985, p. 16.) □

FEATURES

Booknotes

1985 World Satellite Almanac: The Complete Guide to Satellite Transmission and Technology by Mark Long (Commtek Publishing, P.O. Box 53, 9440 Fairview Ave., Boise, ID. 83707—$39.95, paper) is the first of an annual series designed to provide finger-tip reference to a fast-changing field. After several chapters of background and description of current satellite types and methods, the major part of the volume provides specific information (including satellite footprint maps) for all communication satellites now in orbit—or soon to be. This is an invaluable one-volume source to the technical, service, and policy aspects of satellites.

The Changing Television Audience in America by Robert T. Bower (Columbia University Press, 562 West 113th St., New York 10025—$25.00) is a brief (172 pages) report on a national survey of some 2,000 adults in 1980 concerning their television viewing habits. It follows the pattern and uses some of the same questions as surveys taken in 1960 and 1970, allowing for useful comparisons over a two decade period of the medium's development. See **Update 18**, p. 6, for one excerpt. Overall, the book finds the public making heavy use of television news and entertainment—but apparently liking the process less than they used to.



1985 FALL SCHEDULE **WORLDNET DAILY FEED** **Air Date: September 16, 1985**

EDT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON	CLEARED FOR CABLE AND BROADCAST			TODAY ON WORLDNET	1200
8:01 AM	AMERICA TODAY (28:00)					1201
8:29 AM						1229
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1230
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:30)	(29:00)	(29:00)	1259
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1259-1300
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1300
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1359
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1359-1400

For Further Information. . . .

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Arlen Communications, Inc. P.O. Box 40871, Washington, D.C. 20016, USA (telephone 301-656-7940 Telex: 4996981)
(for **International Video Teletext News,** a monthly)

Broadcasting Publications, 1735 DeSales St. N.W., Washington, D.C. 20036, USA (telephone 202-638-1002)
(for **Broadcasting,** a weekly)

Communication Booknotes, Department of Communication, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243)
(for **Communication Booknotes,** a monthly)

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200)
(for **Electronic Media,** a weekly)

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, Colo. 80203, USA (telephone 303-860-0111)
(for **CableVision,** a weekly)

National Association of Broadcasters (Research and Planning Department), 1771 N St. N.W., Washington, D.C. 20036, USA (telephone 202-429-5379)
(for **Broadcast Marketing and Technology News,** a monthly, and other releases and studies as cited)

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, Md. 20854 USA. (telephone 301-340-2100)
(for **Satellite News,** a weekly newsletter)

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, N.Y. 10020, USA (telephone 212-757-8400)
(for **Television/Radio Age,** and **Cable Age,** bi-weeklies)

Television Digest, Inc., 1836 Jefferson Place, N.W., Washington, D.C. 20036, USA (telephone 202-872-9200)
(for **TV Digest,** a weekly) □

Notice

Stories included in* Update *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.

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Telecommunications UPDATE

Volume I, Number XX

Washington, DC 20547

General Electric Buys RCA

A year of notable media mergers was capped in mid-December with the announcement that General Electric, one of the nation's leading industrial firms, was taking over RCA, the electronics conglomerate which controls the NBC television and radio networks. The $6.8 billion merger means that two of the three broadcast television networks will have changed hands in a single year (see **Update 1,** p. 1 for the ABC-Cap Cities merger story), while the third (CBS) fought off an attempted take-over (see **Update 10**). Though it will take nearly a year to consumate, the merger will have several important results.

General Electric (GE) Chairman John Welch (to be profiled in **Update 21**) made it clear that the NBC network will be kept intact as a going concern—and may even be expanded. The GE television station in Denver (GE's only broadcast property at present) will become the sixth station to be owned and operated by NBC. The network has been leading the television ratings race this season (see **Update 18,** p. 6). Both GE and RCA have been active in broadcasting from the opening days of radio in the early 1920s. Until two years ago, GE owned a number of other stations which were sold as the electronics firm announced it was going to focus on other businesses. (RCA was formed by GE in 1919 as the radio industry emerged, and GE maintained an ownership interest until 1932. Thus the new merger puts back together two firms which were once closely related).

Observers see the merger creating a stronger American electronics and services competitor on the world-wide market. GE is active in electronic mail, data processing, and other services, while RCA is a major provider of satellite and telex communications. Both companies are major manufacturers of consumer and industrial electronics equipment. ☐

SHORT SUBJECTS

FM's national share of the radio audience rose to a record 72 percent late in 1985, up 3 percent from a year earlier. That means AM stations have but 28% of the audience—down from 62 percent a decade ago.

■

Neither "Dallas" nor "Dynasty" finished among the TV networks' top 10 prime-time shows for the week ended December 1st—the first time either show has not finished among the top 10 for nearly three years.

■

An AM radio industry group plans to experiment with two prototype AM radio antenna towers that are expected to greatly increase the quality and reach of AM signals—perhaps by as much as three times their current strength. ☐

WORLDNET

(see page 8 for schedule)

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Profile: Herb Schmertz 7
Intelsat Sells First Transponders 7

IA 1.16/2:

BankAmerica Plans a 1,500-Dish Network

Bank of America, largest commercial bank in the country, is evaluating products for a planned multimillion-dollar network of small satellite earth stations that will provide data links for bank branches and major offices throughout the state of California where the bank is headquartered. The firm is evaluating products of at least 12 earth station suppliers and expects to award a contract for the first phase of the project by the first quarter of 1986. The network will replace many private leased telephone lines now used for data transmission. The earth stations to be purchased will most likely use Ku-band (14/12 GHz) transmission and have 4-meter antennas. Bank of America wants to use small-aperture earth stations because they are easy to install and are economical. The network will allow regional offices to access data centers in the San Francisco and Los Angeles areas, and will carry data such as inquiries relating to customer transactions. The company is considering tying this new satellite network into some of its other communications systems, including a planned global data network scheduled to be completed in 1987. The worldwide network will consolidate some of the communications services now provided by about 20 different smaller networks used by the bank. (From **CommunicationsWeek,** Dec. 2, 1985, p. 14.) ☐

AT&T and Harris Develop Ku-Band Service

AT&T Communications has picked the Harris Corp. as its sole supplier of small (1.2 meter) Ku-band earth stations for new data and video service offerings that are expected to be introduced in the first quarter of next year. A "teaming arrangement," announced early in December, ends months of speculation concerning which earth station vendor would work with AT&T. The agreement calls for the companies to work together in marketing three new Ku-band services: broadcast video, and one- and two-way data services, all aimed at corporate customers. Harris will supply the earth stations and related RF equipment, while AT&T will offer the hardware for use with its new Ku-band satellite transmission capacity (two transponders on RCA's just-launched Satcom Ku-2 satellite—see **Update 19,** p. 1) and sell the service. The service will be supplied on-demand beginning early in 1986. (From **Satellite News,** Dec. 9, 1985, p. 1.)

ABC Begins SNG Service

ABC will launch a mobile satellite news gathering (SNG) service next year that will essentially give it a live video capability anywhere in the country. The plan calls for ABC to supply Ku-band satellite uplink-equipped trucks to its affiliates at geographically separated markets across the country who will then be able to relay via satellite live signals back to ABC News in New York and Washington. The first phase of the project, dubbed ABSAT, will feature 50 mobile uplinks that will be based at and owned by the affiliate stations, which can use them for their own news gathering purposes, or in concert with a regional group of stations. Costs will be shared by the affiliates and the network. It will cost about $360,000 to outfit one truck for Ku-band uplink capability, which comes to a total of about $18 million for the 50 trucks alone. (From **Broadcasting,** Dec. 9, 1985, p. 40.) ☐

Intelsat TV Transmission Record

Intelsat has announced a new record in the number of television programs transmitted over the satellite system in a single week. During the week of Nov. 17-23, a total of 890 separate programs were transmitted, with a peak of 150 on Nov. 19. The Reagan/Gorbachev summit and the Colombian volcano eruption contributed to the large number of transmissions. The summit accounted for 131 separate transmissions on 7 satellites in 10 countries using 5 transportable earth stations (see **Update 19,** p. 3). (From **Satellite News,** Dec. 9, 1985, p. 5.)

Comsat to Use Cables

Communications Satellites Corporation (Comsat) has made clear in Federal Communications Commission filings that its plans to provide international communications services include not only satellites, but also the use of submarine cable as well. In an outline of its international business scheme at the FCC, Comsat revealed it does not intend to limit itself to reselling satellite services provided by the International Telecommunications Satellite Organization (Intelsat), the 110-nation consortium operating a world-wide satellite network. Comsat noted it planned "to provide its services via a diversified mix of satellite and cable facilities in the future." A company spokesperson would only say that the use of cables will fit into Comsat's plans to become a full-service international carrier. (From **CommunicationsWeek,** Dec. 9, 1985, p. 23.) ☐

Viewdata Tracks Ships

Lloyd's Mardata, the maritime data network, will offer a Prestel-format service to North American business customers who want to monitor international shipping. The viewdata service has been added as the company, formerly just Mardata, enlarges its role under the revamped ownership of the British Lloyd's conglomerate. Currently about ten U.S. customers use Lloyd's View Data system which tracks the movements of 33,000 ships (mainly freighters and tankers) worldwide. The service is provided through Prestel computers in England, but Lloyd's Mardata—based in Connecticut plans to set up a U.S. node to lower communications costs. Information is automatically updated from the long-standard **Lloyd's List,** a comprehensive global talley of ships and their owners, to which is added ship and position and arrival dates. Lloyd's View Data system uses Aregon software which automatically formats frames and creates an index, allowing retrieval by ship name and port. Subscriptions range from $700 to $2,000 annually, depending on the categories of ships clients want to monitor. (From **International Videotex Teletext News,** December 1985, p. 5.) ☐

Progress on Closed Captioning

Five years ago, closed-captioning television for the deaf and the hearing impaired was merely an afterthought. Not any more. (Closed captions are subtitles which appear on the bottom of the picture when a home has a special decoder box to receive them. The decoder receives the caption information on line 21 of the vertical blanking interval between pictures in the standard U.S. television signal.) This group of viewers has arrived, quite possibly in numbers too big for advertisers to ignore. The 100,000 households and 400,000 viewers currently using the National Captioning Institute's "Telecaption I Adapter" decoder is expected to increase considerably with the January debut of an improved model. Telecaption II on which NCI spent two years and $250,000 in research and development is 30 percent cheaper, smaller, lighter and much more state-of-the-art than its predecessor. It even has remote control. Five years ago there were 16 hours of closed-captioning on television—now there are 96 per week. And there are another 44 on cable, 400 home video titles and (of course!) 7,000 commercials. ABC's entire prime-time schedule is closed-captioned, as are 20 hours of its news and public affairs programs. Ratings leader NBC offers six hours and CBS five. The new decoder can be used with any television set or videocassette recorder. (From **Electronic Media,** Nov. 25, 1985, p. 18.)☐

Dumping of Cellular Telephone Equipment

The International Tade Commission (ITC) of the U.S. Government completed a year long study late in November by ruling that Japanese manufacturers harmed the U.S. cellular mobile telephone industry by dumping their products here. (Dumping refers to the practice of selling something for less than actual costs of production—something usually done to enlarge market

(continued on page 5)

REGULATION

Changes in Election Broadcasting Rules?

A special commission on elections has recommended that the fairness doctrine, equal time and other broadcast content restraints be waived during presidential election campaigns. The 42 member Commission on National Elections included key broadcast executives, members of Congress, public-interest group representatives and political party officials, and was formed last February to seek ways to improve the way the U.S. conducts its elections. Among the recommendations, the commission urged the media to voluntarily refrain from early election projections (before polls are closed) but added "media coverage of election day must not be censored." The political parties should take ultimate responsibility for organizing broadcast debates between presidential and vice-presidential candidates. The group also recommended that the two national political parties develop a code of ethics to guide candidate advertising. The fairness doctrine and equal time rules, which mandate broadcast station access for opposing candidates and ideas on the air, should be set aside during elections said the commission. This would help to reinforce party nominations rather than minor-party candidates. (From a story in **Electronic Media,** Dec. 2, 1985, p. 52.) □

FCC Won't Judge Licensee "Character"

In a potentially important decision, the Federal Communications Commission (FCC) has decided to streamline its consideration of the background of those applying to be broadcast station licensees. Until now, just about any form of misconduct could be considered relevant to an individual's character qualifications to be a broadcaster. Under the new scheme, the FCC said it will confine its interest to misconduct involving violations of the Communications Act or FCC rules and policies, misrepresentations or lack of candor before the FCC, and fraudulent programming. For corporate licensees (a common type today given the rising cost of stations), the FCC announced it would look at general corporate conduct, or activity of a non-broadcast subsidiary, only if management executives were the same or were involved in the broadcast side of the company. The FCC began to examine its character requirements several years ago when it realized that allegations of bad character were being used by competing applicants in comparative proceedings (where two or more parties are contending for the right to broadcast on the same facility) just to delay the legal process. (From **Broadcasting,** Dec. 16, 1985, p. 49.) □

DBS to Come At Last?

It's been changed and it's been a long time coming, but the medium known as direct broadcast satellite (DBS) is about to emerge as a viable method of delivering satellite program services directly into the home. And instead of viewing it solely as a competitive threat, many major cable multiple system owners and programmers are positioning themselves to capitalize on the new technology as an adjunct to their existing businesses. To many, the term DBS still conjures the failed plans to early proponents involving expensive, high-powered satellites beaming video packages of up to eight channels to millions of low-cost, receiving antennas well under a meter in size. But with most of those concepts scrapped or relegated to developmental status, DBS strategies today are being shaped by the reality of an existing C-band backyard antenna dish market and by the emergence of medium-power Ku-band satellites. The first of those Ku-band satellites devoted to DBS will be launched by year-end, and the question now demanding the cable industry's attention is will operators be able to turn the medium to their advantage or will it develop as a vehicle that finally puts programmers in the driver's seat with the power to reach into cabled markets without dependence on program decisions made by cable operators? For programmers, at minimum DBS has become an attractive vehicle to deliver their services to the estimated 15 to 20 million U.S. homes that may never be wired for cable. And for cable system owners, DBS may be a way to deliver the most

(continued on next page)

popular elements of their multichannel packages to sectors within a franchise area—such as areas with a low density of homes or multiple dwelling units—which may be uneconomical to wire. The technology may also enable operators to extend their franchises past cities and suburbs and begin serving rural homes. While the original idea of a high-powered DBS was approved by the FCC in 1982, the lack of sufficient capital has all but stopped development by most of the 12 applicants for those systems. In the meantime, the number of back-yard antennas for reception of medium-powered signals is likely to reach two million by the end of the year. It is this massive in-place potential audience that is leading to reassessment of how DBS might fit into the American electronic media mix. Many industry observers feel that C-band service to those antennas may be a proving ground where operators and programmers can determine which DBS approach is viable. Once the DBS relationships between operators and programmers are firmed up on C-band, the business would then shift to the medium-powered Ku-band. (From **Cablevision,** Dec. 2, 1985, pp. 58, 62.) ☐

Dumping, *from page 3*

share.) The ruling clears the way for the U.S. Customs Service to begin assessing anti-dumping duties on some cellular phones and subassemblies imported from Japan. The fines will affect virtually all major Japanese suppliers and in one case will more than double the cost of imports. The size of the fines is based on the dumping margins defined by the Department of Commerce's

(continued on page 6)

PROGRAMS

AM to Duplicate FM Programs?

In November, the Federal Communications Commission (FCC) proposed to eliminate all restrictions on duplication of programming by AM-FM radio stations in the same market and under the same ownership. Until two decades ago, this was common practice. But in a mid-1960s move to expand the then-developing FM radio service, the FCC developed its current rule: in towns with more than 25,000 persons, the FM station may not devote more than a quarter of the average program week to programming duplicated from an AM station in that same city. The FCC said that now that FM is fully competitive there is no need to foster separate programming of FM stations through limits on program duplication. The Commission also said it didn't appear that increased program duplication would result in an inefficient use of spectrum because the service areas of many AM-FM combinations do not overlap greatly, especially at night (when some AM stations are off the air entirely, and those still on may have much larger coverage areas to skywave propagation). The FCC noted bluntly that relaxing the two-decade old rules "might benefit heretofore profitable AM stations that now are experiencing financial distress due to the growth of the FM service." (From a story in **Broadcasting,** Nov. 25, 1985, p. 35.) ☐

CABLE—TV

Showtime offers "Viewer's Choice"

The pay cable network Showtime/Movie Channel surprised much of the cable industry on November 27th by rushing to launch its national pay-per-view satellite service a day before the start-up of Request Television (see **Update 18,** p. 5). The first film was beamed down from Satcom III-R at 8 a.m. Viacom's Nashville, Tennessee cable system, with 65,000 addressable subscribers, was the first full system to receive the feed. Called "Viewer's Choice" by Showtime, the service will show one film a week, repeated eight times daily, at three hour intervals, 24 hours a day. Plans are to add a second channel in about six months. (From a story in **CableVision,** Dec. 2, 1985, p. 24.) ☐

RESEARCH & Technology

Projecting VCR Growth

Young and Rubicam (Y&R), the large advertising agency, predicts videocassette recorder sales will top 11.5 million units in 1985, putting VCR's in nearly one-third of all U.S. households. However, Y&R's projections for the continued growth of VCR penetration in 1986 and beyond are a little less robust. Y&R researchers don't believe VCRs can sustain the high sales witnessed over the past few years. Still, the ad agency is anticipating yearly sales of between 300,000 and 500,000 units. If that trend holds through the rest of the decade, VCRs should be in approximately 55 percent of U.S. homes 1990. One intangible is the "play only" VCR with prices around $100 and how they may impact purchasing decisions. These machines would only be able to play back prerecorded cassettes and will not allow for off-air taping. As you might expect, Y&R sees an ever-expanding role for advertisers to produce more of their own sponsored tapes which might sell for under $20. (From **Electronic Media,** Dec. 2, 1985, p. 50.) □

CBS Sells Programs Overseas

In its latest global marketing coup, the CBS television network has sold programming to state-owned TV networks in Hungary and France. The Hungary deal is the first case of a U.S. company selling programming to an Eastern European nation on a barter basis. The deals are similar to CBS's now-famous sale of 64 hours of programming last year to the People's Republic of China. In return, CBS gained the right to sell five minutes per hour of air time to advertisers. The Chinese deal is expected to be renewed and this time the Chinese are expected to pick made-for-TV movies instead of just documentaries to show

(continued on page 7)

VCR Movie Prices Dropping

Sales of prerecorded videocassettes (VCRs) promise to get a strong boost during the Christmas season from a broad reduction in the price of video movies. Numerous movies will be marketed and sold at retail prices of less than $30 per cassette; some will be less than $25.00. At this point in video's evolution, it appears most mass merchandisers can't sell such prerecorded tapes for more than $30, especially given widespread overnight rental of the same tapes for as little as $1.00 a night. (There are now as many such stores as movie theaters—and the latter appear to have lost maybe 15% of their audience to the thriving VCR market.) This year should see a dramatic increase in film sales due to the number of VCR machines now in homes. The Electronic Industry Association, the trade group of electronics manufacturers, suggests VCR sales of 11.5 for 1985, but other estimates say sales could exceed 13 million. Additionally, the many rental outlets across the country are now seriously exploring a partial return to tape sales as well as rentals. Sales of pre-recorded tapes, now only 1.4% of all cassette transactions, may increase to about 25% by 1990, paced by these developments. (From a story in **Electronic Media,** Nov. 18, 1985, p. 6.) □

Dumping, *from page 5*

International Trade Administration (ITA) in October. ITA ruled that Matsushita Communications Industrial Co.'s dumping margins were 106.6 percent, NEC Corp.'s margins were 95.6 percent, and Mitsubishi Electric Co.'s were 87.8 percent. These and lesser penalties on other firms will increase prices of Japanese imports by the same percentage. Matsushita, for instance, will pay a fine representing 106.6 percent of the total price paid for the equipment imported. The fine will be paid to the U.S. Treasury. The penalties will be assessed on all equipment that has entered the country since June. Customs began asking the companies to post bonds representing the amount of their duties in October. (From **CommunicationsWeek,** Dec. 2, 1985, pp. 1, 63.) □

Herb Schmertz

Sometimes a key businessman who is not part of the media can have tremendous impact on media content. An example is Herb Schmertz, long-time vice president of communications for Mobil Corp., the energy firm. For 15 years, Schmertz has applied Mobil funds—some $75 million—to underwrite one of the most popular public television programs, **Masterpiece Theatre,** which presents top-notch British (and sometimes Australian) television drama to American Viewers. More than 1,000 hours have played on American TV screens, including such favorites as "Upstairs, Downstairs," about an Edwardian British family and its servants, "I, Claudius," which provides a view of Roman emperors as seen by one of their number, and several versions of classic novels. Schmertz got into the public television underwriting process back in 1969 when he was approached by the Boston public television station, U.S. producer of the series. They needed money to continue, and Schmertz was always looking for good ways to reach influential viewers with the Mobil name. Now, through Schmertz's office, Mobil helps to pick the programs and pays all costs for the national public television network to carry them. The result is one of the top-rated public TV series, and plenty of good exposure for Mobil. (Based on information from **Electronic Media,** Nov. 11, 1985, pp. 32, 37.) □

In Profile

Intelsat Sells First Transponders

West Germany has agreed to pay $15.9 million for 3 Ku-band Intelsat satellite transponders for domestic use, the first transaction in Intelsat's new policy to sell transponders as well as signing long-term lease agreements. Two other contracts for $4.3 million each are ready to be finalized providing three transponders per contract on a satellite said to be almost fully depreciated. One is for a European country while the other is Middle Eastern (Intelsat identified neither). The $25 million generated by these transactions immediately after Intelsat Board of Governors approval of the service surprised even strong proponents of the process at Intelsat. Of the nine transponders sold, Intelsat Director General Colino reported that six were new business while the other three were conversions from standard short-term leases. Almost 200 transponders are potentially available on Intelsat V satellites over the next five years for the new service and 21 countries have expressed interest in leasing or buying them. Although there was strong objection by U.S. companies proposing to operate alternative international systems (and initially by France and the United Kingdom as well), only the U.S. through its Intelsat signatory Comsat failed to vote for the services and for approval of the contracts. But shortly thereafter, Comsat appeared to change its position. The company issued a statement agreeing with Intelsat that the prices obtained in the contracts are sufficiently related to the costs of designing and launching the transponders. This had been Comsat's major point of contention with the policy. Comsat went on to characterize the new contracts as strongly supported and valuable in meeting domestic service needs and reducing Intelsat's excess transponder capacity. (From **Satellite News,** Dec. 16, 1985, pp. 1-2.) □

CBS, *from page 6*

locally. Programs for France include the CBS evening news for Canal Plus; the Hungarian deal includes news and documentaries, basketball games and made-for-TV movies. (From **Electronic Media,** Dec. 2, 1985, p. 24.) □

FEATURES

Booknotes

Integrated Services Digital Networks by Anthony M. Rutkowski (Artech House, 610 Washington St., Dedham, MA 02026, USA—$50.00) is the first book-length treatment of the technologies, development and policy structure behind the ITU's push for a worldwide ISDN by the turn of the century. The author is with the FCC and has worked here and abroad on ISDN for years. His 324 page discussion begins with 30 pages on the policy forums and how they work, followed by the I-series recommendations on ISDN (140 pages), U.S. domestic policy making in this area (80 pages), and likely future developments (18 pages). Appendices list CCITT materials and published articles. Diagrams supplement the text. ☐

50 Years of Telecommunications Reports (Telecommunications Reports, 1036 National Press Building, Washington, D.C. 20045—$100) is a unique volume—a 220 page chronological history of the common carrier industry in the U.S. since passage of the 1934 legislation which is the regulatory framework for telecommunications in the U.S. This is a chronological telling, reprinted from the pages of the standard weekly newsletter on common carrier, with three or four pages devoted to each year through 1984. ☐

1985 FALL SCHEDULE — WORLDNET DAILY FEED

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1300
8:01 AM	AMERICA TODAY (28:00)					1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
9:59 AM	Not For Broadcast				Not For Broadcast	1459
9:59-10:00 AM	TOMORROW ON WORLDNET				NETWORK SIGNOFF	1459-1500

For Further Information

Telecommunications Update depends upon the cooperation of our many sources. We are grateful for their help—and invite you to pursue more detail and background on stories in this issue by contacting them. For this issue, material has come from the following:

Arlen Communications, Inc. P.O. Box 40871, Washington, D.C. 20016, USA (telephone 301-656-7940 Telex: 4996981)
(for **International Videotex Teletext News,** a monthly)

Broadcasting Publications, 1735 DeSales St. N.W., Washington, D.C. 20036, USA (telephone 202-638-1022)
(for **Broadcasting,** a weekly)

CMP Publications, 600 Community Drive, Manhasset, N.Y. 11030, USA (telephone 516-365-4600)
(for **CommunicationsWeek,** a weekly)

Communications Booknotes, Department of Communications, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243)
(for **Communication Booknotes,** a monthly)

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200)
(for **Electronic Media,** a weekly)

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M. St. NW, Washington, D.C. 20054, USA (telephone 202-632-7000 for general information)
(for press releases and texts as cited)

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, Colo. 80203, USA (telephone 303-860-0111)
(for **CableVision**, a weekly)

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, Md. 20854 USA (telephone 301-340-2100)
(for **Satellite News,** a weekly newsletter)

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, N.Y. 10020, USA (telephone 212-757-8400)
(for **Television/Radio Age,** and **Cable Age,** bi-weeklies)

Notice

Stories included in **Update** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Telecommunications UPDATE

Volume I, Number XXI
Washington, DC 20547

Group W Cable Sold: Age of Cable Giants?

As the year of media mergers drew to a close, yet one more important sale took place. Group W Cable, the Westinghouse-owned operator of cable systems across the country, was sold for $1.6 billion to several different owners. Westinghouse had only gotten into the cable business five years ago when it purchased Teleprompter, then the largest operator of cable systems. In the intervening years, Group W invested millions in expanding and improving those systems, which now serve some 2 million subscribers. The sale price worked out to about $1,000 per subscriber which is average for sales of cable systems today. The three main purchaser companies, American Television and Communications (a subsidiary of Time Inc.), Tele-Communications, and Comcast Communications, plus two smaller firms, are already owners of other cable systems. The buyers are expected to split up the Group W holdings among themselves, with each keeping systems close to others already operated. In turn, Westinghouse may become more heavily involved in broadcasting, where it already owns 5 television stations and 13 radio outlets. (Westinghouse began the first U.S. radio station, KDKA in Pittsburgh, in late 1920, and still owns the station.) Financial experts looking at this sale coming on the heels of so many others in recent months, suggest that big multiple system companies will dominate the industry by 1990 in proportion to their size. The sale of Group W Cable is thus seen as a sign of things to come. The cable industry will see more buy-outs, sparked in part by deregulation of subscriber rates now taking place. Many industry analysts project important changes in cable programming as well, with the "basic" and "pay" distinction becoming blurred with arrival of the several new and projected pay-per-view services. (see **Update 20,** p. 5) At the same time, analysts say the cable industry still has a long way to go in providing the full potential value to the consumer that is inherent in the technology.☐

SHORT SUBJECTS

Cable television is the fastest growing business in the communications industry according to a recent survey of 245 companies. Cable leads all other segments of the industry, including broadcasting, business information services, newspaper and book publishing, and advertising. The survey measured revenues, cash flow margins, and return on assets.

■

On the other hand, cable growth in subscribers appears to be leveling off from the pace of recent years. A.C. Nielsen reported cable penetration late in 1985 at just over 46 percent of all TV households, a growth of 5.7 percent over the year before. Several individual cities, mainly in the West, have cable penetrations well over 80 percent.

WORLDNET

(see page 8 for schedule)

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IA1.16/2:

California Completes a "911" System

California has completed a 16 year effort to develop a statewide 911 emergency telephone service system. Few other states have such a state-wide capability. In the U.S., 911 is the universal telephone number to dial for emergency calls to police authorities. The California state assembly mandated the system back in 1973, though the majority of the 377 separate installations that make up the system have come in the past five years. The service is now available from all regular (home and business) telephones, mobile phones, pay phones, and even the special phone service used by the deaf. Because of the large number of foreign languages used by the state's customers, the state 911 system has an interpretation center and the capability to add to a call a foreign consulate or any other agency able to translate what is said. Nearly 90 percent of the state is served by what is called enhanced 911 service where the telephone number and address of the calling party is automatically displayed for the 911 operator. An estimated 50,000 to 65,000 calls are made daily to 911 in California. Construction of the system cost just over $200 million, and annual operating costs will run about $52 million. The costs are met by a one half of one percent surcharge on toll and local telephone services. This amounts to about 7 cents per month for residential customers and 15 cents for businesses. (From **Telephone News,** Dec. 23, 1985, p. 5) ☐

Caution Expressed on ISDN

The International Chamber of Commerce (ICC) is urging businesses worldwide to monitor development of the integrated services digital network (ISDN) and to make their case for the kinds of future network options they want to see. The ICC recently adoptd a policy on ISDN that praises the concept of a global network that can handle the simultaneous transmission of voice, data, text and image. But the policy also outlines concerns of the organization's voting members from 57 nations and associate members from another 44 countries. "Some business users have several serious reservations relating to ISDN," the policy paper says. "At present, while it is clear that private and public investment will be considerable, the benefits to users and the community at large are still somewhat vague." The paper expressed concern that some existing services with highly regarded attributes may be abruptly withdrawn or arbitrarily made unattractive, to force users to the new services regardless of their preferences or needs. Worries also exist about the premature obsolescence of existing or forthcoming customer premises equipment which may not conform to the new standards. "Perhaps above all, some users fear that some telecommunications authorities may utilize ISDN to extend their monopoly positions into emerging market sectors." The policy, which encourages telecommunications customers to get involved in the development of ISDN, is being distributed to regional and international organizations with interests in telecommunications. While stating the ICC's concerns, the paper also outlined numerous benefits to be derived from ISDN. Among them are the installation of digital technology, the lower costs generated by greater transmission capacity and the convenience of simple access to a facility that will offer simultaneous and integrated transmission of voice, data, text, and image. (From **CommunicationsWeek,** Dec. 16, 1985, p. 16) ☐

Stereo Sets Selling

Stereo sound television receivers emerged as a significant product category for consumer electronics manufacturers in 1985, and forecasts for 1986 sales are upbeat, according to the Electronic Industries Association trade group which for the first time has gathered figures on the year-old product category. Sets with built-in stereo capability, while present in only a small percentage of total television households, accounted for a respectable percentage total unit sales of color television sets in 1985. That's good news for set makers, who see added stereo capability providing a consumer attraction to high end—and higher profit—receivers. (From **Broadcasting,** Dec. 30, 1985, p. 10) □

. . . But Few Stereo TV Broadcasts so Far

The status of stereo television is complicated by an inconsistency in the amount of programming available. Only one of the three networks—NBC—has embraced stereo enthusiastically, and the syndicated supply of stereo programming is limited. Predictably, NBC affiliates are the most optimistic about stereo because of the amount of multi-channel sound being offered by the network—20 hours per week. ABC broadcasts "The Insiders" in stereo and also transmitted this year's baseball World Series games in multi-channel sound. A network spokesman said stereo is in the network's plan but there is no precise timetable. CBS, meanwhile, is maintaining its low profile with regard to the technology. It is not a major priority but is an area that is being watched carefully. Among set makers, Zenith whose stereo system was essentially adopted by the industry following Federal Communications Commission Authorization is the most aggresive promoter. An additional selling point for stereo in some markets is the ability, through use of the Secondary Audio Programming Channel (SAP), to offer a second audio track in another language. Two stations capitalizing on this feature in order to simulcast some of their programming in Spanish are non-network stations in Connecticut and the city of Los Angeles. The Los Angeles station provides 17 hours of programming a week in Spanish. (From a story in **Television/Radio Age,** Nov. 25, 1985, pp. 43-45, 101) □

Does Low Power TV Have a Future?

Government and industry figures are not optimistic about the future of Low Power television (LPTV) stations, a service authorized five years ago by the Federal Communications Commission (FCC). Jim McKinney, chief of the FCC's Mass Media Bureau (see **Update 18,** p. 7) noted that few of the licenses granted are being used for origination of local programming—most simply rebroadcast signals of established full-power stations. The FCC recently rescinded about 50 construction permits for new LPTV operations after their owners had made no progress on construction more than a year after grant of the license. There are about 1,200 of those permits outstanding with a total of 17,000 applications for an expected 4,000 LPTV outlets. Most of the early stations on the air serve small communities at least 55 miles away from any of the country's 212 largest market areas. (From a story in **Television/Radio Age,** Nov. 25, 1985, p. 54) □

Progress in 3-D Television

Well-heeled TV stations and independent video producers have been adding a new dimension—the third dimension—to electronic graphics for some time now. Their expensive graphics generators allowed them to make three-dimensional (3-D) like objects seem to bounce or fly around the screen at will. But not-so-well-heeled broadcasters and producers were generally limited to two-dimensional or "flat" visual effects because of cost constraints. Now, the Artronics division of the 3-M company hopes to make 3-D graphics available to smaller stations with their newly developed generator at a third of the price of the best machines on the market. Until now, equipment for such graphics typically cost about $300,000. If all goes well, the machine will be tested, then released for sale in March. The new system is driven by an IBM minicomputer with a 20 megabite hard disk drive, color monitor, assorted multiple "joy sticks," a slider control and a special graphics engine. This system allows its user to create solid, shaded and 3-D models made up of complex articulated movements that can be animated in real time or composed frame-by-frame like animated cartoons. (From **Electronic Media,** Dec. 23, 1985, p. 43) □

REGULATION

Competition in Maritime Satellite Services?

The Reagan administration is studying whether GTE Spacenet Corp.'s plan to provide maritime satellite services in foreign territorial waters conflicts with the United States' treaty with the International Maritime Satellite Organization (Inmarsat). The administration's analysis will determine whether private U.S. companies can offer services in competition with Inmarsat, a 44-nation cooperative that holds a world wide monopoly on providing international satellite-delivered telephone, telex and data communications between shore points and points at sea. Spacenet wants to provide Tenneco Oil Co. with three full-time satellite circuits for two-way data and voice communications serving an oil-exploration platform near the Bahamas. The six month contract for the services could be extended if oil is discovered. But in December, government officials were unclear how to deal with this plan. While the administration promotes competition in international telecommunications services and facilities, officials must take care to honor the U.S. agreement with Inmarsat. The Federal Communications Commission (FCC) has forwarded Spacenet's application to provide the maritime service to the Department of State and has asked whether approving the application as a so-called "trans-border" service would violate the Inmarsat agreement. Some U.S. satellite carriers already provide transborder voice, data and video services to Canada, Mexico and the Caribbean after having gained routine approval by the FCC and undergone a simple coordination with the International Telecommunications Satellite Organization (Intelsat). But government officials are uncertain whether Spacenet's plan could be given similar treatment by the FCC and Inmarsat. They are beginning to put Spacenet's plan through an analysis similar to their previous study of proposed private international satellite systems and their potential impact on Intelsat. It took more than two years from the time the first Intelsat competitor filed its application until the date the FCC issued a conditional license last July. The administration does not intend an examination that lengthy this time. Spacenet had told the FCC that Tenneco decided not to use Inmarsat's service because of its high costs and technical deficiencies. The Communications Satellite Corporation, Inmarsat's U.S. representative, told the FCC that the deficiencies cited have been corrected and that Inmarsat's rates are expected to drop significantly early in 1986. (From **CommunicationsWeek,** Dec. 16, 1985, p. 26) □

Congress to Be More Active in 1986

Leading congressional policy-makers said in December they will be much more aggressive in making telecommunications policies next year because of the FCC's "failure to resolve important issues" to their satisfaction. Most of those issues deal with common carrier telephone questions including rate increases, competition among long distance carriers, a deficit in U.S. telecommunications trade, and unemployment in the telecommunications industry. □

Tight Times for Broadcasters

The highly publicized financial problems with which CBS has been wrestling of late are of a type that can be expected to plague other broadcasting companies during the coming year. In today's deregulated climate, most, if not all, such companies are either feeling bottom-line pressures as a result of anti-takeover measures or hustling to take advantage of new, albeit expensive, opportunities to purchase more stations. Either way, the result is fiscal streamlining, management shakeup and general corporate restructuring. Clearly, broadcasting's once-stable business environment has changed radically as the industry's chief focus of concern has increasingly shifted to the doings and dictates of Wall Street investors and speculators. ABC provided broadcasting's first, and perhaps most dramatic, example of the kinds of adjustments now being made when it, in effect, decided to sell itself to Capital Cities Communications. (see **Update 1,** p.1) There will be, for example, the normal overhead and staff reductions that occur when two companies merge and eliminate duplicate operations. Beyond that, there will be a potentially painful process of melding Capital Cities' conservative, tightly run way of doing business with ABC's looser, less cost-efficient style. Likewise, the impact of Ted Turner's $1.5 billion purchase of MGM/UA is expected to be felt in several areas of the electronic media. For Mr. Turner, the purchase will mean a hefty debt commitment for a company that has never made more than $10 million in annual profits. Mr. Turner is trying to peddle a portion of his

(continued on next page)

CNN cable news service to help finance the MGM/UA deal. (see **Update 19,** pp. 5-6) A number of other highly expensive buy-outs or takeovers—most recently General Electric's takeover of RCA and its NBC network subsidiary (see **Update 20,** p. 1)—have afflicted the broadcast business in recent months. Such costly wheeling and dealing, in a marketplace plagued, for now, by soft advertising sales and rising costs, is sure to apply pressures to the bottom lines of many of the players. The CBS network provides a glimpse of how painful that pressure can be. The overhead, staff and asset reductions CBS is making to diminish a $1 billion debt incurred in a recent anti-takeover-driven stock repurchase have fostered internal dissension and paranoia, particularly in the news division where a number of people have taken early retirement or otherwise been let go. Several key executives have or are about to leave CBS. And now there is the sudden overwhelming presence of prominent investor Laurence Tisch, a non-broadcaster who now becomes CBS's largest stockholder, and possible cause of still further changes. Add to all this the fact that CBS has nearly tripled its debt in a year when its profits are expected to be off some 20% (the network reported its first loss since the early 1950s when it announced a $114 million loss for the third quarter of 1985) and it's easy to see why a once powerful institution has become traumatized by the specter of its own vulnerability. And the fact is that if it can happen to CBS, it can happen to anyone in the electronic media. (From **Electronic Media,** Nov. 18, 1985, p. 36)□

PROGRAMS

Comedy Comeback?

A recent report from the Young and Rubicam (Y&R) advertising agency contends that situation comedies have regained their prominence in network television because of good, witty writing. Although such an evaluation is subjective, Paul Isacsson of Y&R says "A number of situation comedies and new anthologies do contain the best writing that's been on television in years, and we think it's driving an improvement in TV viewing." The agency identified 15 regular network series that not only exemplify fine writing, but attract a "premium" audience (identified as upper economic level homes with an average concentration of adults age 25 to 54). Ten of those television series are on NBC (which is leading the ratings this season—see **Update 18,** p. 6), four are on ABC, and one is on CBS. Three of the series mark a return to network television of the anthology format—different writers, stories, and casts—"The Twilight Zone," "Alfred Hitchcock Presents," and "Amazing Stories." Mr. Isacsson said that although such series have only moderately high ratings, they have strong appeal to sought-after audience characteristics. (From **Electronic Media**, Dec. 23, 1985, p. 6) □

CABLE—TV

"Bravo" is Five Years Old

With a quadrupled marketing budget, a steady 40 percent annual growth in subscribers and a new emphasis on English-language movies, the Rainbow Programming Services film and fine-arts oriented Bravo channel celebrated its fifth anniversary in December. The satellite-delivered cable network has reached the financial break-even point and hopes for a half million subscribers by the end of 1986. Its programming—70 percent American and international films and 30 percent fine-arts specials and series is not designed for the mass market. The channel hopes to mount a half-hour fine-arts entertainment news magazine later in 1986. Unlike many other cable programmers, however, Bravo is not concerned about signal scrambling at the moment, and plans to stick to its 10-13 hours a day of programming. (From a story in **CableVision,** Dec. 16, 1985, p. 18) □

RESEARCH
& Technology

Studying Changes in the Radio Audience

Adult contemporary music stations on the FM band are targeting a slightly older audience today, registering a substantial rise in listening among the 35-to-44-year-old age group since 1979. That's one of the findings in a new, comprehensive radio format trend study conducted by the Katz Radio Group. The study is based on audience measurement data for 2,449 individual radio stations (out of nearly 9,000 all told) in 190 markets. Stations playing rock music record albums are also now skewing toward an older audience, with a heavier concentration on the 25-34 age group. Stations playing "big band" music from the 1930-50 period now gather 42 percent of their audience from those aged 65 or more. In 1981 that percentage was 26 percent. Yet at the same time, FM stations still tend to concentrate on younger listeners than AM stations with the same formats. American "country" music on AM radio appeals to those 55 and older while on FM the audience is more in the 35-44 age group. (From a story in **Broadcasting**, Dec. 23, 1985, p. 63) ☐

U.S. Senate Ratifies ITU Agreement

Three years after the International Telecommunication Union's plenipotentiary conference in Nairobi, Kenya, concluded amid considerable controversy, the U.S. Senate in December approved the convention that was drafted. Much of the agreement—which becomes the ITU basic instrument—is carried forward from the 1973 Convention of Malaga-Torremolinos. The U.S. concern about politicization at Nairobi has been somewhat muted by the work of technical conferences since that have carried out their work largely free from political issues. If the U.S. had not ratified the treaty by January 1st, it would

(continued on page 7)

More on Cable Scrambling

Little more than 4 months after cable television operators found plans for scrambling programming services (see **Update 17**, p. 4) greatly wanting because of the lackluster showing of equipment manufacturers, the cable industry has now embraced a de facto standard—the "Videocypher II" system made by M/A Com. Most satellite-delivered cable networks have announced at least tentative plans to begin scrambling their transmissions and all of those plans include the Videocypher II system. In part, adoption of this system has been spurred by the decision of major cable operators

(continued on page 7)

UPDATE

U.S. Underscores Opposition to Intelsat Domestic Services

The Federal Communications Commission (FCC) recently issued a statement repeating its opposition to Intelsat's decision to sell or lease on a long-term basis transponders for domestic services. (see **Update 20,** p. 7) The National Telecommunications and Information Administration of the Department of Commerce, and the Department of State worked on the release with the FCC. "While we support many aspects of the decision, the United States government did not participate in the decisions relating to this Intelsat policy" because of questions over pricing. Although the statement was somewhat less emphatic than the solo stand taken by the U.S. at the Intelsat Board of Governors meeting, the position focused on the "critical" issue of pricing. The U.S. does not think that the prices for either outright transponder sale or long-term leases adequately cover Intelsat's relevant costs. (From **Satellite News,** Dec. 23, 1985, p. 2) ☐

John F. Welch Jr.

For the past four years, John Welch has been the chairman of the General Electric Co. (GE), which in mid-December announced it was taking over RCA. (see **Update 20,** p. 1) At age 50, he will now head the seventh-largest American industrial corporation. Welch's views on corporate management have been followed closely here as he has cut GE employment levels as well as middle management layers while putting more investment into automation and changing technology. Commenting on the merger with RCA, Welch noted that GE's guiding philosophy recently has been "to move away from smokestack industries and into service industries," such as those operated by RCA. Welch has been with GE a long time—he joined the firm in 1960 in chemical operations (he holds a Ph.D. in chemical engineering), and moved up the executive ranks in the plastics division. Married, and the father of four children, Welch is described as having an aggressive style which has gone a long way to reshaping GE even before the recently-announced merger. He reportedly will leave RCA's NBC subsidiary alone—at least initially—as he likes the network's management style and substance—and their present success. ☐

In Profile

More Networks Coming

ABC, CBS, and NBC are fated to become mere members of the pack instead of leaders of the broadcast television industry according to two top TV executives. An official of Walt Disney Productions and another from Golden West Television both predicted that the three commercial networks will be joined by at least two others operating on an ad hoc basis. Stations will not be tied to a single network, they said, but will be able to pick and choose which network programs to schedule, virtually on a program-by-program basis. Three or four of these ad hoc networks will develop within the next five years, supported by the now deregulated, larger owners of groups of stations, and by consortia of larger stations and groups. What will bring all this about is the competition for national advertising revenue, the high costs of syndicated programming, and the inadequate compensation provided by the existing networks for their affiliates. The trend toward more competition for the traditional networks has been developing for several years. (From **Electronic Media,** Dec. 16, 1985, p. 48) ☐

ITU Agreement, *from page 6* have lost its right to vote, if not to participate, in ITU meetings. The Senate committee which recommended approval of the treaty to the full Senate noted the two years of cooperative work done by government agencies and the private sector, all of which endorsed the treaty. (From a story in **Broadcasting,** Dec. 23, 1985, pp. 58-59) ☐

Cable Scrambling, *from page 6* to enter the market for programming services sold to home earth station owners. Only by scrambling of picture and sound can the programmers protect their potential markets. (From **Satellite News,** Dec. 23, 1985, p. 7) ☐

FEATURES

Booknotes

Bilingual Dictionary of International Telecommunications: Transmission Equipment by Andy Lauriston and Jocelyne Le Neal (Teleglobe Canada, 680 Sherbrooke St. West, Montreal, Quebec H3A 2S4—$70.00 in Canadian funds) is the second volume of a projected series of French/English technical dictionaries. The first volume, issued late in 1983, dealt with antenna theory. The new 508 page diagram-illustrated volume is completely bilingual, down to indexes and bibliographies in both languages. Some 900 terms are included in what has to be one of the most complete works of its kind.

Electronic Publishing: Media for a Technological Future edited by Martin Greenberger (Knowledge Industry Publications, 701 Westchester Ave., White Plains, N.Y. 10604—$45.00 hard/$30.00 paper) collects the papers from a 1984 research forum. Divided into six parts, the 365 page volume provides several papers each on the consumer of electronic media, the industry itself, program suppliers, questions of intellectual property, public regulation, and the public interest. The emphasis throughout is to effectively analyze the transition through which American broadcasting, cable, and newer media are now going.

(these reviews from **Communications Booknotes,** January 1986)

1985 FALL SCHEDULE **WORLDNET DAILY FEED**

EST	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	GMT
8:00 AM	SIGN ON		CLEARED FOR CABLE AND BROADCAST		TODAY ON WORLDNET	1300
8:01 AM			AMERICA TODAY (28:00)			1301
8:29 AM						1329
8:30 AM	SCIENCE WORLD	ALMANAC	ARTS AMERICA	ALMANAC	CINE SHOWCASE	1330
8:44 AM	(14:00)	Lively Talk Show with Invited Guests		Lively Talk Show with Invited Guests		
8:45 AM	SPORTS MACHINE					
8:59 AM	(14:00)	(29:00)	(29:00)	(29:00)	(29:00)	1359
8:59-9:00 AM	TOMORROW ON WORLDNET		CABLE SIGNOFF		BREAK FOR RELOADING	1359-1400
9:00 AM	Not For Broadcast	EURONET ONE ON ONE	EURONET	EURONET ONE ON ONE	Not For Broadcast	1400
	MEET THE PRESS (NBC)				THIS WEEK IN REVIEW Highlights from ABC WORLD NEWS TONIGHT	
9:23 AM	(23:00)	Interactive Interviews	Multipoint Interactive Interviews	Interactive Interviews		
9:24 AM	THIS WEEK WITH DAVID BRINKLEY (ABC) (35:00)	(59:00)	(59:00)	(59:00)	(59:00)	
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For Further Information . . . .

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CMP Publications, 600 Community Drive, Manhasset, N.Y. 11030, USA (telephone 516-365-4600) for **CommunicationsWeek,** a weekly.

Communications Booknotes, Department of Communications, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243) for **Communications Booknotes,** a monthly.

Crain Communications, Inc. 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200) for **Electronic Media,** a weekly.

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M St. NW, Washington, D.C. 20054, USA (telephone 202-632-7000 for general information) for press releases and texts as cited.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, Colo. 80203, USA (telephone 303-860-0111) for **CableVision,** a weekly.

National Association of Broadcasters (Research and Planning Department), 1771 N St. N.W., Washington, D.C. 20036, USA (telephone 202-429-5379) for **Broadcast Marketing & Technology News,** a monthly, and other releases and studies as cited.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, Md. 20854, USA (telephone 301-340-2100) for **Satellite News,** and **Telephone News,** both weekly newsletters.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, N.Y. 10020, USA (telephone 212-757-8400) for **Television/Radio Age,** and **Cable Age,** bi-weeklies. ☐

Notice

Stories included in ***Update*** *are not official statements of United States policy or positions. They are excerpts from the independent American trade press, intended to provide a cross-section of reporting about developments in and viewpoints on U.S. electronic media and telecommunications. Opinions expressed are not necessarily those of the U.S. Information Agency or any other U.S. government entity.*

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Telecommunications UPDATE

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Pay-Per-View: Hot New Business?

As a new wave of competitors dives into pay-per-view (PPV)—once again the hot buzzword in pay television—it's probable that not all of them will survive. But it does appear that PPV as a viable marketing concept has arrived. (In a PPV system, cable TV subscribers can call a central phone number and order a recent movie to be shown over a special channel. They are charged about $5.00 for the single viewing, with the film studio and cable system operator getting 40 percent, and the PPV middleman taking the remaining 20 percent. Typically, the same film is shown at many different times during a week, making it easy for viewers to find a convenient viewing hour.) The new PPV players are banking heavily on audience research that indicates electronic delivery of programming, mostly movies, confers substantial advantages over the home videocassette (VCR) rental business, its main target. Perhaps the most revealing information extracted from early PPV audiences is that PPV offers consumers instant access to many recent films, meaning buyers will not have to get on a waiting list at the local cassette rental store. This convenience factor should fuel initial PPV growth. While videocassettes offer a larger and more diverse inventory of material, the most popular titles are not readily available to all consumers in cassette form. Others argue that as VCRs are now in a quarter of the nation's homes, while only about a third that number can now receive PPV services that the battle between the two means of movie delivery may drag out for some time. PPV services now available include Showtime/The Movie Channel's "Viewer's Choice," (see **Update 20,** p. 5), "The People's Choice," "EventTV," and "Request Television." All of them work in similar fashion, providing a movie or two per week, reshown at many different times to attract as many viewers as possible. (Drawn from a feature story in **CableAge,** Dec. 9, 1985, pp. C6-C9)☐

SHORT SUBJECTS

- **Historical note . . .** The first international telephone call was made between Detroit and Windsor, Canada (just across a river) in 1881. The first overseas call, by radio, was between New York and London in 1927. The first overseas cable telephone calls were in 1956.
- **And today . . .** AT&T handles more than a million international calls each day (see story on p. 4). Recently, two U.S. competitors have begun to provide international telephone service. MCI, serving 34 overseas points, began service in 1982. And GTE Sprint began international service in 1984 and serves 22 international locations. Both companies are actively negotiating with PTT's to expand the number of international points served. (Information from **The Long Distance Letter,** Jan. 1986, pp. 1-2)

WORLDNET

(see page 8 for schedule)

In This Issue:

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Largest MSO goes TVRO 4
USTTI has over 500 Graduates 5
Profile: Thomas Murphy of Capital Cities/ABC Inc. 7
Update: More on Satellite Insurance 7

IA1.16/2:

Intelsat to Help Cut Earth Station Prices

The International Telecommunications Satellite Organization (Intelsat) has revealed that it will become the purchasing agent for what could be hundreds of earth stations for thin-route, international telecommunications services. Intelsat has established a service for inexpensive transmission to developing nations, but it hasn't been picked up by many nations because earth station costs are too high. So the 110-nation consortium intends to make volume buys and resell the earth stations to its member nations at cost. Intelsat is seeking to get the price of the 3.5- to 5-meter earth stations down to $25,000 or less from the current sales price of $75,000 or more. Intelsat will survey the dozen countries that have expressed interest in its proposal and then issue a request for proposals from manufacturers. (From **CommunicationsWeek,** Dec. 23, 1985, p. 4) □

Competing Satellite Firms Join Forces

Two start-up companies planning to launch private international satellite systems have joined forces. An agreement reached by the two companies will give Cygnus Satellite Corp. an undisclosed equity role in Pan American Satellite Corp. (PanAmSat). Cygnus has options to use capacity on PanAmSat's satellite, scheduled to be launched later in 1986. The two companies could also share operating and marketing in the future. PanAmSat's planned satellite had threatened to interfere with Cygnus's system. PanAmSat had intended to use its satellite system only for service between the United States and Latin America, and within Latin America. But because of its haste to go to market, it bought existing satellite components that included Ku-band (14/12 gigahertz) transponders unfit for such service. PanAmSat officials had been negotiating with the handful of international satellite licensees, seeking to get them to use the Ku-band capacity for transmissions between the United States and Europe. The agreement with Cygnus holds out the potential for just such a use. (From **CommunicationsWeek,** Jan. 6, 1986, p. 8)□

"Satellites Won't Be Rendered Obsolete"

Stating that satellite systems "will definitely not be rendered obsolete" by fiber optics technologies, the U.S. Commerce Department's annual publication *U.S. Industrial Outlook* released in early January paints a rosy picture for growth in the communications satellite systems industry for 1986 and beyond. According to the report, the market for satellites and related earth station equipment has been strengthened by cost economies achieved by multiple launch systems (the Space Shuttle), successful retrievals of satellites lost or malfunctioning in space, and an increasing recognition of advantages satellites have over fiber cables—such as shorter lead time for procurement and construction, as well as 20 years of experience in their use. In 1985, economic activity in satellite communications was up 30 percent over 1984. This shows dramatic improvement over the industry's performance during 1983-84 which, the report states, was largely due to "uncertainties concerning the commercial uses of new satellite technologies . . . strengthened by multiple satellite losses in space, and claims that fiber optics technologies would make satellites obsolete." Shipments of satellites are expected to increase by 10 percent in 1986, with earth station shipments growing by 42 percent. Further, the growth in satellite shipments is projected to remain steady at 10 percent annually through 1990. Much of the growth will be in the international market because foreign trade is increasing as more countries begin to procure and operate commercial communication satellite systems. Principal growth will be in Ku-band satellites. The report speculates on the future use of domestic satellites, stating that by 1990 the breakdown (compared to 62 percent now), video transmission (about the same: 27 and 25 percent), and data transmission (growing to 18 percent from the present 12 percent). (From **Satellite News,** Jan. 13, 1985, p. 7)□

Fiber As Key to Telephone Expanded Services

Planned installation of fiber cable, and digitalization of the telephone network are extremely important in positioning that industry for the future information society. Installation of fiber, with its expanded capacity, is critical to providing information services. The advantage of a digital network is that data signals do not need conversion to analog and voice and data can be transmitted simutaneously, via packet switching. One observer predicts that by 1990 most of the telephone companies' large institutional customers will be served by switched digital, fiber links. Already, for example, New York Telephone has installed 52,000 miles of fiber throughout that state, with two-thirds of that capacity located in New York City alone. In Chicago, Illinois Bell is readying the first test in the United States of the Integrated Services Digital Network (ISDN) to be run in February. Implementation of ISDN is a long term goal of U.S. telephone companies to provide each home and business with 144 thousand bits-per-second (kbps) capability, expressed in digital data requirements. Voice transmission requires a 64 kbps capacity while alarms, utility measurement, or home computer networks all require well under that capacity.

Only when it comes to providing video teleconferencing and full-motion video, as provided by television today, do capacity needs exceed current telephone technology. In video teleconferencing, 1,500 to 6,300 kbps is required while television requires 90 *million* bps. Such loads are the province of fiber cables which generally carry between 180 and 270 million bps. Pushing technology even farther, New York Telephone is readying installation of a 560 million bps line for its own needs in the near future. The installation of such systems requires re-evaluation of traditional telephone switched and dedicated narrow-band voice and data networks to make use of the new capacity. And while major business and other institutional users will see the results of this process within a very few years, residential applications of ISDN and its supporting technologies is probably two decades into the future. (From a feature story in **Cable-Vision,** Dec. 2, 1985, pp. 80-88) □

The Telephone as "Mass" Medium

During the past two years, several Bell operating companies have offered a service by which customers can call a given number and join in a group conversation, often with persons they do not know. The services use group access bridging (GAB) which connects customers to an electronic bridge or cell where a limited number of people in different places can talk with one another. Most telephone companies allow five to ten persons per cell, as higher numbers have led to unmanageable discussions. The first person connected to a bridge hears a recording giving him or her the option of hanging up or waiting for someone to join them. When a cell is full, a caller receives a busy signal or is switched to another cell if the telephone company's service allows for more than one cell per line. In addition to general conversation lines, most companies offer special lines for teenagers and senior citizens. New Jersey Bell's Talk Exchange service being offered now on a trial basis (with about 6,500 calls per day) includes "Hablemos" ("Let's Talk") for Spanish-speaking customers. Other experiments under way or being considered include a sports-talk line which takes its cue from radio call-in shows, and selling a time period on the service to churches or service groups that wish to conduct socials or reach-out programs for shut-ins. Available 24 hours a day, 7 days a week, the rates for such services have ranged from 13 to 25 cents for the first minute, and from 3 to 12 cents for each additional minute. Most companies include time-of-day discounts. (From **Telephone News,** Jan. 13, 1986, p. 5) □

Universities Teach with Telecommunication

The University of Massachusetts main campus just outside of Boston is one of six universities with Ku-band uplink antennas connecting it to the National

(continued on page 6)

REGULATION

1985: Major Year for Cable Cases

For the cable industry 1985 was more than merely the first year after federal deregulation (a late 1984 amendment to the Communications Act of 1934 accomplished that). The industry also benefitted from an unprecedented series of favorable court decisions affirming cable's status as a constitutionally protected medium. Two decisions stand out as especially important. Early in the year, one court ruled a city could not award just one cable franchise if local utility poles could accommodate the distribution cables of more than a single operator. In July, another court held that the Federal Communications Commission (FCC) "must-carry" rules violated cable's right to freedom of speech under the U.S. Constitution's First Amendment. Those two decisions with a host of others, go a long way toward positioning cable as an "electronic publisher" with minimal federal and local government intervention. (From **CableVision,** Dec. 23/30, 1985, p. 25) ☐

Justice Department Gears Up

Many Americans traveling overseas are questioned about the breakup of AT&T—is it working, or more to the point, why did it happen in the first place? In about a year, the U.S. Department of Justice (which brought the legal action against the telephone company back in 1974 that lead to the breakup a decade later) is to present a major report to District Court Judge Harold Greene (see **Update 11,** p. 7) on just how well the telephone business in the U.S. is faring after what will be three years since the breakup took place. Judge Greene, who continues to hold jurisdiction over the aftermath of the breakup, will also receive advice from business and industry as to whether major changes should be made in the legal structure set up in 1984 to govern the actions of AT&T, and of its former local operating telephone companies, now under separate ownership. It's too early to tell what will happen—but there appears to be an increasing feeling among industry observers that the local operating companies should and will be freed of many restrictions under which they presently operate. Some of the local companies want very much to get into long distance service to compete with their former parent, AT&T. Others want to enter telephone and related manufacturing activities, now banned by the breakup agreement. ☐

Largest MSO Goes TVRO

The aggressive entrance of Tele-Communications Inc. (TSI), the nation's largest multiple system operator (MSO) of cable TV systems into the TVRO or home earth station business may well serve as a model for the rest of the industry in confronting the potential competitive threat posed by the home TVRO business. At issue is provision of satellite service to owners of TVROs who fall within the area of, but are not hooked up to, the local cable system. Many U.S. cable services are beginning to scramble their signals to prevent free pick-up by TVRO owners. (see **Update 18,** p. 5; and **Update 21,** p. 7) By being first to market to home TVRO owners in its cable coverage areas, TCI appears to be mounting an effective pre-emptive strike, taking the wind out of the sails of any non-cable entrepreneurs who might try to distribute satellite programming to those home earth station owners. TSI serves 3.5 million cable subscribers in 43 states from 450 different cable systems. The company has chosen to concentrate on the marketing of the satellite signals themselves. TSI will offer decoder units on a leased basis rather than getting into the business of actually selling and installing TVRO dishes, leaving that to existing home earth station hardware suppliers. What is significant is that the huge MSO sees greater cost efficiencies, and potential profit, in the marketing of the signals as opposed to the hardware required to receive those signals. (From **CableAge,** Dec. 23, 1985, p. C3) ☐

USTTI has over 500 Graduates

Three years after its establishment was announced at the ITU plenipotentiary conference in Nairobi, the U.S. Telecommunications Training Institute (USTTI) has graduated 569 men and women who staff the telecommunications and broadcasting systems in 82 developing countries. The USTTI is a joint venture of major U.S. telecommunications companies and the government. In offering hands-on training through participating corporations at no cost to communications specialists from the Third World, the USTTI says its aim is three-fold: enhance stability in the politically charged international telecommunications arena, provide humanitarian assistance through improved domestic telecommunications in these countries, and improve the commercial opportunities for U.S. companies in the Third World. The Agency for International Development, a part of the U.S. Department of State, provides $500,000 to defray travel and subsistence costs of students from countries unable to pay them. The ITU, the World Bank, the Organization of American States and the Asia/Pacific Telecommunity have also been helpful. In its first three years, USTTI offered 48 courses—29 are planned for 1986 alone. (From **Broadcasting,** Jan. 6, 1986, p. 209) □

PROGRAMS

Changes in Music Video Networks

Early in December, the Odyssey Network, a service of the National Christian Network in Florida, went off the air when RCA Americom knocked it off Satcom IV for failure to make its November transponder lease payment. And less than two weeks later, Wodlinger Broadcasting introduced Hit Video USA via Satcom IV, a service aimed at the market Odyssey had unwillingly abandoned. Odyssey had begun early in 1985, promising cable and broadcast affiliates music up to 24 hours a day. Collectively, its affiliates when it shut down a year later reached 55 million homes, although most were on a part-time basis and many were during early morning hours when relatively few people are watching. Odyssey failed to reach its first anniversary because it was unable to convert those homes into advertising dollars. The new service, Hit Video USA, is trying to succeed where Odyssey failed. But both firms agree on one point: MTV Networks, the owner of the Music TV and Video Hits-1 satellite-delivered services, has made life difficult for all challengers to its preeminence in the business. MTV has contracts with many record companies that grant the MTV networks exclusive use of new music videos for up to six months—a long time in the here-today, gone-tomorrow world of popular music. (From **Broadcasting,** Jan. 6, 1986, p. 160)□

CABLE—TV

NBC Changes Its Mind

It looks now as though the NBC television network will *not* begin a new cable news service. First projected last summer, (see **Update 12,** p. 5) the NBC service would have competed with Ted Turner's two long-established Cable News Network (CNN) satellite-delivered services. For a while, there was discussion between Turner and NBC about some kind of merger, but that fell through in the fall. (see **Update 19,** p. 7) In January, NBC spokesmen seemed decidedly cool on the project's chances as the network had been unable to line up enough cable systems willing to subscribe to make the start-up costs of the news service worthwhile. The merger of NBC parent RCA with General Electric (see **Update 20,** p. 1) was apparently not a factor in the decision. It seems the CNN services will have the cable news market to themselves for a while longer. □

RESEARCH
& Technology

People Meters Progressing

Momentum toward using recently developed people meters for national television audience research is building. People meters make use of small computers to allow a more realistic in-home measure of who is watching which programs. (see **Update 8,** p. 4) They allow closer correlation of audience groups by demographic characteristics (age, income, number in the family, etc.) to specific television programs watched. Experiments with the devices have been going on in several U.S. cities to make sure the new approach gives audience measures which are reliable and valid. It seems increasingly likely that by late 1987 one or two companies may be offering a national audience ratings service using the meters. A national audience sample would include about 5,000 homes representing some 13,000 people. Researchers say that if that sample is selected carefully, it can adequately represent television viewing habits of all 240 million Americans. (Based on a story in **Television/Radio Age,** Dec. 23, 1985, p. 50) ☐

Cable Scrambling Begins

After a four year, $15 million dollar effort, Home Box Office (HBO) began full-time scrambling of its pay TV signal in mid-January, using M/A-Com's Videocypher II scrambling system. HBO and its cable system affiliates have been equipped to scramble since last spring, but HBO had put off full-time scrambling (there had been some tests) until M/A-Com produced enough descrambler or decoder boxes to accommodate owners of home earth stations who wanted to buy them and then subscribe to HBO services. Whether and when to scramble has been a major debate in the cable community for some time. (see **Update 17,** p. 4; and **Update 21,** p. 7) In early January, M/A-Com officials said they were in the process of shipping about 10,000 of the home descrambling devices to cable operators and other distributors of home satellite equipment. Per-month subscription prices for the HBO and Cinemax pay TV services will be $12.95 each or $19.95 for the pair. (From **Broadcasting,** Jan. 13, 1986, p. 224) ☐

Capcities-ABC Merger Completed: Pierce Resigns

To the surprise of many broadcast industry watchers, Fred Pierce, the long-time president of the ABC network, (see **Update 19,** p. 7) submitted his resignation just days after the long-planned merger of Capital Cities and ABC took place at the beginning of 1986. Pierce, who had become vice chairman of the merged company, was to be the top official of the network's various operations for television and radio. He'd first joined ABC back in 1956. Some ABC watchers suggested this was merely the latest in a stream of personnel changes growing out of the merger (see "Profile" on opposite page). Pierce spoke of his desire to move on and do something else, but observers commented on the timing of the departure—just as the new owners took over the network. (As the merger with ABC took place, Capital Cities sold its cable operations to the Washington *Post*, as planned, for $350 million.) ☐

Universities, ***from page 3***

Technological University, a national satellite and videotape network for graduate engineering courses. The consortium of 20 universities shares videotaped courses and other information on electrical and computer engineering among other topics, thus spreading the cost of often expensive material. Primary recipients are engineers in industry and colleges. (From **Satellite News,** Jan. 13, 1986, p. 6) ☐

Thomas S. Murphy

Thomas Murphy is chairman of the board, and the chief executive officer of Capital Cities Communications—which early in January became the owner of the ABC network. Murphy, now 59 years old, has been with "Cap Cities" since the company was founded in 1954 as an owner of television stations in state capital cities (thus the name of the company). He became its chairman in 1966. Over the past year, Murphy worked closely with now-retired ABC chairman Leonard Goldenson to set up the merger, the first time an American television network had changed hands in more than 30 years. (see **Update 1,** p. 1) Murphy, a veteran of World War II, has college degrees from Cornell University, and Harvard's business school. He has a reputation for running a "lean shop"—decentralized management and tight budget control. As ABC had operated with somewhat looser financial control, changes in the network's operation have already begun, with many employees laid off and others leaving (see opposite page for related story). Murphy's newly combined firm, to be known as Capital Cities-ABC, becomes the country's third-largest media company. ☐

In Profile

More on Satellite Insurance

Many insurance underwriters, which are asked to assume about $100 million of risk each time a satellite is launched, have bailed out of the market. They've already lost more than $500 million in the last two years. (see **Update 18,** p. 2) There is as little as $70 million available at any one time now for new insurance policies on space launches—whether they carry communications satellites, projects for processing materials in space or other kinds of commercial space ventures. If two or three satellites were scheduled to fly on the same space shuttle, less than half the funds needed to insure them would be available. In addition, the insurance that is available now costs 25 to 30 percent of the risk—up from as little as 5 percent in 1982. On a typical $100 million launch, that's a hefty $25 million or more today. In November, RCA assumed the risk for its estimated $100 million launch—which was succesful. The market crisis also has underwriters refusing to write new insurance until 90 days before a satellite is launched, thereby making financial planning a nightmare and ruling out any way for owners to spread their risk over a series of launches. Meanwhile, entrepreneurs striving to become satellite carriers face the prospect that their business endeavors will shrivel and die unless they can get the insurance they need to quell their financial backers' concerns. Observers say the only way the crisis will end is with a series of successful launches over the next six months to two years. There is a fractioning of the satellite insurance process into a patchwork of policies covering various stages of launch and operation at widely ranging rates rather than end-to-end coverage at a single, overall rate. Some insurance executives say such a patchwork will push rates even higher. (From **CommunicationsWeek,** Jan. 6, 1986, p. C-1, C-2) ☐

FEATURES

Booknotes

American Television Genres by Stuart Kaminsky and Jeffrey Mahan (Nelson-Hall Publishers, 111 N. Canal St., Chicago, Ill. 60606—$29.95 hardback/$12.95 paper) is a good analysis of the many types of American television programs (most of which are also available overseas) and how they have developed as well as some indication of what they mean. The authors discuss why study of genre is useful to understanding program content, and then review quiz and game shows, police drama, TV "soap opera," science fiction programs, comedies, and even TV news. ☐

NTIA Competition Benefits Report (Government Printing Office, Washington, D.C. 20402—$7.00, paper) is Special Publication 85-17 of the National Telecommunications and Information Administration. (NTIA is the Reagan Administration spokesman agency for domestic telecommunication policy questions, and is a part of the U.S. Department of Commerce.) In 121 pages NTIA provides a lot of statistical and text information suggesting that the recent communications policy of encouraging competition rather than government regulation is working—that more people are obtaining better service because of this policy than would otherwise be the case. Short staff papers deal with industries in both common carrier and electronic media.

(these reviews from **Communication Booknotes** for January 1986)

1986 WINTER SCHEDULE

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Communication Booknotes, Department of Communication, George Washington University, Washington, D.C. 20052, USA (telephone 202-676-8243) for **Communications Booknotes**, a monthly.

Crain Communications, Inc., 740 North Rush St., Chicago, Ill. 60611, USA (telephone 312-649-5200) for **Electronic Media**, a weekly.

Federal Communications Commission, Office of Congressional and Public Affairs, 1919 M St., NW, Washington, D.C. 20054, USA (telephone 202-632-7000 for general information) for press releases and texts as cited.

International Thompson Communications, Inc., 600 Grant St., Suite 600, Denver, Colo. 80203, USA (telephone 303-860-0111) for **CableVision**, a weekly.

Phillips Publishing, Inc., 7811 Montrose Rd., Potomac, Md. 20854 USA. (telephone 301-340-2100) for **Satellite News**, and **Telephone News**, weekly newsletters, and **The Long-Distance Letter**, a monthly.

Television/Radio Age, Rockefeller Center, 1270 Avenue of the Americas, New York, N.Y. 10020, USA (telephone 212-757-8400) for **Television/Radio Age**, and **CableAge**, bi-weeklies.

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